S. HRG. 98-762

PUBLIC BUILDINGS AUTHORIZATION ACT OF 1984

HEARING

BEFORE THE

COMMITTEE ON ENVIRONMENT AND PUBLIC WORKS UNITED STATES SENATE

NINETY-EIGHTH CONGRESS

SECOND SESSION

ON

S. 2635

A BILL TO AUTHORIZE APPROPRIATIONS FOR THE PUBLIC BUILDINGS SERVICE OF THE GENERAL SERVICES ADMINISTRATION FOR FISCAL YEAR 1985

AND

S. 2605

A BILL TO AUTHORIZE THE ADMINISTRATOR OF GENERAL SERVICES TO CONVEY PROPERTY TO THE COMMITTEE FOR A NATIONAL MUSEUM OF THE BUILDING ARTS, AND FOR OTHER PURPOSES

MAY 3, 1984

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PUBLIC BUILDINGS AUTHORIZATION ACT OF 1984

THURSDAY, MAY 3, 1984

U.S. SENATE,
COMMITTEE ON ENVIRONMENT AND PUBLIC WORKS,
Washington, D.C.

The committee met, pursuant to notice, at 10:10 a.m., in room SD-406, Dirksen Senate Office Building, Hon. Robert T. Stafford (chairman of the committee) presiding.

Present: Senators Stafford and Randolph.

OPENING STATEMENT OF HON. ROBERT T. STAFFORD, U.S. SENATOR FROM THE STATE OF VERMONT

Senator STAFFORD. The Committee on Environment and Public Works will please come to order.

The committee will hear testimony today on the program for fiscal year 1985 of the Public Buildings Service of the General Services Administration. This hearing precedes committee action on a bill to authorize expenditures for that program and facilities oversight with respect to a broad range of public building issues. Prior to the committee's reform initiative, beginning with S. 2080 in the 96th Congress, attention was devoted primarily to individual public building projects submitted by GSA intermittently throughout the year in the form of prospectuses. These prospectuses were approved by committee resolution, denying to the Senate as a whole the opportunity to scrutinize the contents of GSA's public building program.

An annual authorization bill is the committee's current and, in my view, appropriate vehicle for rendering its judgment on the proposed activities of the public building service for the coming fiscal year. Such a bill imposes on GSA the discipline required to plan and submit an annual program and provides the agency of a clearer record of committee expectations. It also enables both the committee and GSA to address the goal, accomplishments, and problems of the program in a broader context that focusing on individual project prospectuses would allow.

With an annual budget in excess of $2 billion, the Public Buildings Services requires and deserves such comprehensive oversight of its activities by the committee and the Congress.

The witnesses testifying before the committee today will deal with three areas of concern. Mr. Charles Evans will speak on behalf of his proposal to construct the second phase of the Pavilion, the commercial development located at the recently-renovated Old

Post Office here in Washington. A panel, consisting of Mr. David Childs, Mr. Bates Lowry, Mr. Dan Mundy, and Mr. Richard Haase, will address plans of the National Museum of Building Arts. Mr. Les Mitchell, Commissioner of the Public Buildings Service, will testify on the proposed program of the Public Buildings Service for fiscal year 1985 and other related issues.

At this time, we anticipate that Senator Randolph, the ranking member of the committee, will be here momentarily. When he gets here, we will offer him the opportunity to deliver his opening remarks, which I see he has, or place them in the record, as he wishes.

In the meantime, I think we will get started. So, Mr. Evans, we will be pleased to have you and those accompanying you come to the witness table.

While they are coming up I would like to take this opportunity to mention that Senator Moynihan had planned to be here today but other commitments prevented his attending. He asked that his statement be included in the hearing record and, without objection, that will be done.

[Senator Moynihan's statement follows:]

STATEMENT OF HON. DANIEL PATRICK MOYNIHAN, U.S. SENATOR FROM THE STATE OF NEW YORK

Mr. Chairman, we are here today to hear from the New Public Buildings Service. My central concern is that there is little we have from the New Public Buildings Service which is new.

The Service has not addressed this Committee's longstanding concerns: We see again this year that too many Federal employees work in leased space. We still lack a five-year plan. We still have opportunity to purchase but virtually no purchasing. Our efforts and concerns, Mr. Chairman, have been most consistent; they also have not been met. S. 452 sets out to treat rationally the authorization of the Public Buildings Program. We await emulation by our colleagues in the House.

In my opinion, this legislation is more needed than ever. I am distressed over the failure of the General Services Administration to provide us with a complete public buildings management plan for fiscal year 1985 and the succeeding five years. In 1981 and 1982, we received professional-looking plans shortly after the Congress convened. This year we received little but a lot of projects, the same old promises, and excessive process.

We have a "strategic directions" document for FY 1985. It is in its own words "not a traditional five-year plan." The excuse should sound familiar: "the data is not available."

S. 452 would require that an annual and five-year plan be submitted to the Congress no later than fifteen days after Congress convenes each year. It would also require GSA to submit a detailed annual report on its activities by February 1 of each year. I trust that a statutory mandate would bring us results, but I am not sure.

A look at the proposed FY 1985 budget provides other urgent reasons for enacting S. 452. Once again, we see the budget for leasing scheduled is going up, from $847 million in 1984 to $865 million. What makes this increase more disturbing is that it comes in a year when the total amount of space leased is expected to decline. Admirable as that decrease is—and the GSA is to be commended for it—the fact that it is accompanied by an increase in expenditures points up the problem of locking ourselves into leased office space arrangements.

At the same time, we see that funding for significant construction, purchase, and major repairs is like the ever-receding horizon: it is always just ahead, but we never reach it. Monies are accumulating in the Opportunity Purchase Program. We will soon have more than $130 million, and these monies should be used while, as we are told by the experts from GSA, we are looking at a soft market.

I am especially concerned that in looking to purchase buildings that every consideration be given to older buildings and to buildings which convey the importance and seriousness of government work.

I note, Mr. Chairman, we have a new Commissioner for the Service. I sincerely hope he will make a difference.

STATEMENT OF CHARLES C. G. EVANS, JR., PRESIDENT, EVANS DEVELOPMENT CO., BALTIMORE, MD.

Mr. EVANS. Mr. Chairman and members of the committee, I would like to introduce, as part of my presentation, my partner and the executive vice president of our company, Mr. David Mudgett.

On behalf of the Evans Development Co., I want to thank you for the opportunity to share with you the story of the successful rebirth of the Old Post Office. I also would share with you some thoughts we have on how the Cooperative Use Act process might be made more effective by providing GSA with additional enabling legislation and, finally, to show you our concept for the expansion of the pavilion.

I would like to preface my remarks by applauding the committee and its dedicated staff and the General Services Administration for having the courage and innovation to break new ground by establishing the Cooperative Use Act. The act you have created speaks to the essence of the involvement of Government and its people. It does, I believe, go far beyond saving and the reuse of older buildings, and the mixing of uses in new buildings to come, for it has the potential to nourish and encourage an understanding of our Government by the business community, by our educational, cultural, and arts institutions, and by the individual American citizen through the involvement of each of these in the daily lives of Federal buildings.

At the Old Post Office, you have gathered under the collective wings of the Nancy Hanks Center this Nation's Endowment for the Arts and Humanities, Museum Services, Historic Preservation, Tourist Observation Tower, free public entertainment, 50 independently owned and operated restaurants and retail businesses, over 400 new full-time and part-time jobs, and a haven for visitors, workers, and residents alike. You have created a new heartbeat for Pennsylvania Avenue, a sense of community for the city and, most importantly, a Government project that GSA and this committee can point to with great pride. That, gentlemen, is quite an accomplishment.

The proof of its success can be measured in many ways. We have had over 300 articles written on the project since its opening some 8 months ago, articles from over 70 countries, cities, and States, including features in National Geographic and Time magazine. We have had over 400 independent performances on the stage, and more than 800,000 people have visited the project since its opening, and tenant sales per square foot are projected to exceed $500 per foot.

Senator STAFFORD. Mr. Evans, if I might intercede here, I would say that I can report to you that Mrs. Stafford and some guests of ours attempted to go in for a lunch the other day, and it was so crowded they gave up. So obviously, a lot of people are going there.

Mr. EVANS. I rest my case for the expansion, Senator.

By your charge, the task at the Old Post Office for accomplishing the goals you set forth in this legislation fell to GSA and ourselves

and, I might add, it was no mean task. As some of the committee and the staff know, because there was no precedent to look to or to fall back on, we in GSA had to blaze new trails. Where had the Government ever had to meet the needs of a lender whose security was more important than the Government's right to cancel? Where had it been necessary before to allow private enterprise to maintain the public spaces in a Federal building? And where else had the Government had to leave the ultimate decision on the selection of tenants in a Federal building up to private business? Obviously, the answer is nowhere.

It was as tough a task for GSA as it was for us. Had there been a precedent, our joint task would have been made much easier. But since we were on the cutting edge, both of us ended up learning invaluable lessons. What I would hope is that through a critique process, perhaps a jointly chaired committee by GSA and this committee could be developed where the worker—be he participant, attorney, negotiator, and so on—from both the public and private sides could, through a charette of the process, come up with development as well as operating guidelines in a structure for responsive and authoritative problem solving.

By developing enabling legislation born out of the experiences that both we and GSA have had, I believe other projects will benefit significantly. We should, I believe, share our experiences to strengthen the program for the future.

Although the project has established a strong position in the marketplace, it still takes between 18 and 24 months to establish a strong repetitive return business. Based on our experience in keeping urban projects competitive, we believe that in order to keep our existing customer base and expand it in the face of new influx of retail competition, we need to immediately add an additional 30,000 to 40,000 feet of new retail shops. A recent intercept survey that we conducted bore this out, where it showed the single strongest reason for customers' interest in returning to the urban center was the variety and the number of stores. Over 65 percent of our survey respondents stated that more stores and more fashion-related shops was the single most important factor in bringing them back.

All of us—your committee, GSA, and ourselves—have proven that the Cooperative Use Act can not only work but work superbly well. We, therefore, cannot afford to rest on our laurels. We must create the additional critical mass necessary to keep the Old Post Office competitive, and we must do it now. If we fail to meet this challenge, our success will wane, for those who are drawn to the marketplace will favor the projects with a wider and more diversified retail presentation.

To that end, we are proposing to GSA that we immediately undertake to negotiate a supplement to our lease agreement, providing for a 40,000 square foot expansion of the project into the IRS courtyard parking lot. The expansion we propose is not only consistent with the approved Federal Triangle plan and the Federal Walk, which calls for more retail and restaurant development in the courtyard, but is also consistent with the spirit and the intent of the Cooperative Use Act.

At this point, I would like my partner, David Mudgett, to briefly explain the expansion plan. We have some graphics over here on the left.

STATEMENT OF DAVID MUDGETT, EXECUTIVE VICE PRESIDENT AND PARTNER, EVANS DEVELOPMENT CO.

Mr. MUDGETT. I have given copies of what you are about to see so that they can be distributed amongst the committee. You can review them and ask any questions later.

The location is in the IRS courtyard. Pennsylvania Avenue is to the north, 12th Street is to the west, and 10th Street to the east. The concept is to create approximately 40,000 square feet of added retail space. For your information, there is presently 60,000 square feet of space in the Old Post Office. So it is increasing, by almost two-thirds, the amount of space in the project.

The area is presently occupied by a parking lot—commuters vans, and cars. The Federal Triangle plan, as Charlie mentioned, has called for a major walkway through here, with a park-like setting and fountain, and retail in the lower level of the IRS building. What we have attempted and, I believe, accomplished is to slightly modify that plan, while still living within the intent of what they were trying to accomplish.

You are seeing here major access off 12th Street, at the south end of the Old Post Office Building, presently occupied by a greenhouse-type of structure and a restaurant by the name of "Blossoms," if that orients you a little better. This landscaping material road material, will be continued right up to the expansion.

The expansion is a two-story facility with basement. As you enter, there will be a significant entrance off 12th Street into a center courtyard, which will be enclosed in glass. The second major entrance, comes in from 11th Street. A third primary entrance comes from 10th Street. There are three marvelous arches which lead from the IRS Building out to 10th Street, and we are calling for removal of the balustrade and creation of added excitement, with a wonderful glass canopy, added lighting, and signage. So that 10th Street itself becomes a major activity area,

As you come through 10th Street you will enter into the project and its courtyard. The courtyard itself is meant to be an urban park of sorts. It is not meant to compete with that wonderful space inside the Post Office, but it is meant to be compatible—a different experience. In the appropriate weather, there probably will be operable louvers in the glass roof and you will get natural air flowing through the project.

It is a space people will enjoy sitting in, spending time in, whether they are shopping or just walking through the Federal Triangle. We are trying to accomplish, we think successfully, what was called for in the Federal Triangle plan.

There is a below-grade basement which will house retail, it will house storage, and it will house public facilities; that is bathrooms. We are proposing to house a multimedia show called Birth of a Nation.

A group led by Paul Heller, a producer from California, has come up with a concept to do a major multimedia show for Washington.

They are the producers of "The New York Experience" in New York, as well as "The South Street Show," the "Where's Boston?" in Boston, the San Francisco Experience and the Honolulu Experience. These are major activity centers which describe the existing fabric of the community in Washington, D.C., and Washington's relationship to the history of America in "The Birth of a Nation."

That, we are suggesting, would be located on the lower level. It would be a theater that would have 50 shows a week and seat approximately 250 to 300 people. It is an activity that we think would complement very nicely the new tower elevator operated by the National Park Service.

Above that will be two levels of retail. This will not have the food orientation of the existing pavilion, but instead will have more retail orientation. It is something we feel is important to continue the success of the Old Post Office and to improve the drawing strength of the entire project. As I mentioned, it is glass-enclosed. It is light, vibrant, interesting place to be and, thus, an interesting addition to the existing Old Post Office.

We are proposing to enter into an agreement with the General Services Administration immediately. In fact, we will be submitting a proposal to them early next week. The project will cost between $9 and $10 million to construct. That does not include work done by retailers which will total another $6 million. It will have between $7 and $8 million in private funds, and it appears that it would be approximately $2 million in public participation of some sort.

We are proposing, as with the Post Office, that GSA will receive an annual rent, as well as participation in the percentage rentals paid by the retailers.

Senator STAFFORD. Thank you very much. The $2 million/$8 million mix sounds reasonable. We are engaged in the throes of trying to decide what to do with the Kennedy Center, though. The experience we have had there, we would frankly hate to embark upon another where we would get involved in lapsed payments, the way we have with the Kennedy Center. I am sure in your instance that would not happen.

At this point, Senator Randolph, do you have any opening statement or any comments or questions? This would be a good time.

OPENING STATEMENT OF HON. JENNINGS RANDOLPH, U.S. SENATOR FROM THE STATE OF WEST VIRGINIA

Senator RANDOLPH. Thank you very much, Mr. Chairman. I will speak very briefly in my opening remarks.

Mr Chairman, I join with you in welcoming our witnesses who will discuss maters relating to authorized spending for public buildings activities during 1985.

The committee continues to have great interest in the conduct of buildings programs. The authorization process which we initiate today is the core of our efforts of the past 5 years to revise the way in which these programs are authorized and implemented. Last fall the Senate again adopted our legislation making comprehensive changes in the public building program. I am hopeful, like you, Mr. Chairman, that this measure can become law this year.

In reviewing the proposals of the General Services Administration, I an encouraged that the overall amount of leased space has declined for the first time in many years. This is in line with the belief of this committee that housing government activities in rented space must be reduced and that more government facilities must be built or acquired.

In this regard, it is discouraging that only three small construction projects are proposed. Likewise, we are asked to approve an additional $70 million for the opportunity purchase program of acquiring existing buildings. This effort has the support of committee members, but the results of the past year are frankly disappointing. Only one relatively small building has been purchased despite the softness in the real estate market.

I am glad that we will receive testimony from witness representing the National Building Museum. This new institution is housed in the Pension Building, one of our National Capital City's most historic buildings. The committee previously approved funds to begin restoration of the Pension Building. I note, however, that there is no request to complete this urgently needed work. It seems to me that this restoration should be continued without interruption.

These are several matters on which I anticipate receiving testimony today.

Mr. Chairman, I commend you, Senator Moynihan and other committee members for your leadership in the area of public buildings. These structures not only house our Government, they are the public face of the Government. As such, they must be adequate, efficient and symbolic of the strength and pride of the American people.

Thank you.

Senator STAFFORD. Thank you very much, Senator Randolph, for an excellent statement.

Mr. Evans, we are glad the Pavilion has been a success thus far. You have had much to do with that success. This committee has two other, we think, handsome and worthy buildings nearby for which it is responsible: Union Station, which I had occasion to visit twice in the last 10 days, and the Pension Building. Are you familiar with those buildings, or have you looked at them or over them?

Mr. EVANS. Yes, Senator, we are familiar with both of those buildings.

Senator STAFFORD. Do you consider that if properly handled and in conjunction with other developments in the surrounding area, either Union Station or the Pension Building are suitable candidates for mixed-use or a combination of Federal and commercial functions so that they could remain in the Federal inventory and at the same time make a major contribution to their local areas?

Mr. EVANS. Yes, Mr. Chairman, I would agree with that statement. I think an analysis of both of those buildings and the environment surrounding, if done, as you say, properly could be very beneficial.

Senator STAFFORD. Thank you very much, gentlemen. We will consider what you have told us, and we appreciate it.

Now we have a panel of witnesses to appear in front of the committee: Mr. David Childs, president, board of directors, National

Museum of the Building Arts; Mr. Bates Lowry, director, National Museum of the Building Arts; and Mr. Dan Mundy, legislative director, Building and Construction Trades Department, AFL-CIO. I am advised that Mr. Richard O. Haase, known to us and vice president of the Holladay Corp., has been detained in Georgia due to a tornado down there. So we will have to have him another time.

Senator RANDOLPH. Mr. Chairman, this is only a passing comment because I must go. I hope that some of our witnesses will tell us what actually is happening in the District of Columbia and the Washington area, including Virginia, and Maryland. I have never seen so much building. I have been here since 1933. Nothing can even be compared to it in a small degree. All you have to do is to look up and you see another crane, almost every morning, and that is all over the area.

I would like for you to give us your opinion on what is happening in the District of Columbia. This has been a city where building was inadequate. Who are the people who are coming here and occupying these buildings? We have had 10 new hotels go up here within a period of 10 or 12 months. That does not necessarily mean more people are coming, but there must be something moving. Maybe you are the people who deal with statistics but also who know of the dreams and futures. Why don't you comment about it?

Senator STAFFORD. Maybe they will in the course of their testimony. Thank you, Senator.

Let us go in the order in which we called your names, which would be Mr. Childs, followed by Mr. Lowry, followed by Mr. Mundy, if that is agreeable, gentlemen.

STATEMENT OF DAVID M. CHILDS, PRESIDENT, BOARD OF DIRECTORS, NATIONAL BUILDING MUSEUM

Mr. CHILDS. Thank you very much, Senator. We are delighted to be here today. I would apologize for Dick Haase, who is very eager to be here today because of his former role with this committee as well as his strong support, past and present, of the National Building Museum. I, myself, came back from Dallas yesterday, and I know full well that the weather is terrible and has precluded him from being here.

Senator STAFFORD. Can I say to all three of you that we are racing with the clock, to borrow a phrase from a former popular musical. We will place your full statements in the record and ask if you could summarize it for the committee.

Mr. CHILDS. Yes, I would be delighted to do so. In fact, what I would like to do right away is to introduce our director of the museum, Bates Lowry, and ask him to bring you up to date on the status of the museum and our reasons for encouraging reinstatement of the funds for the renovation of the building.

STATEMENT OF BATES LOWRY, DIRECTOR, NATIONAL BUILDING MUSEUM

Mr. LOWRY. Thank you, Mr. Chairman. I was here last year, and if I may digress for a moment, I remember the subject that you introduced into that hearing was a request to know how much marble was being used in certain Federal buildings in this city. I

was somewhat concerned that you were going to turn that same question to me when I came here, representing the world's largest brick building, but I was pleased to see that you did not. However, in the meantime, we have discovered evidence that your quarry owners in Vermont were quite alert to the fact that they wanted to share in the building of the Pension Building, and they wrote to the architect asking where marble was going to be used. He responded that he would love to use marble, but the Congress had insisted that this be an economy building and, therefore, marble would not be used. Whether your Burlington citizens followed that up with letters to one of your predecessors or not, I do not know. But I wanted you to know that they were alert at that time.

When we were here last time, we talked about many of the activities that the museum has undertaken since the enabling legislation of December 1980. I just want to say today that this growth remains constant. An increasing number of citizens are benefiting from our programs, and gradually, I would say, the museum's programs are beginning to warrant the faith that the committee had when it created this institution.

This morning, however, rather than going over many of the activities of last year, I really would like to focus our attention on the overall long-range master plan that has been guiding these activities. I would like to list the three elements that determined that master plan. One was, obviously, the terms of the original legislation back in 1980; one was the timetable for the renovation of the building; and the third was the result that we received from a professional fundraising survey.

One of the first steps we took in implementing the legislation was to create a joint Federal-private board of directors, the makeup and powers of which had been detailed in the cooperative agreement that the legislation had mandated we enter into.

Acting together—and I would like to add, everyone has an equal vote on that board—these representatives have overseen the development of that master plan, and the longrange commitments that we have made in carrying it out have been done with their guidance.

The first phase of that master plan is a 4-year one, in which each of the programs of the museum will gradually reach a national level, a level where everyone in some part of this country will be benefiting from those programs. The museum has never taken its mandate to be simply to create a building museum in Washington, D.C., to which citizens must come, but instead, in reading the legislation carefully, you will see that the intent was that the programs of the museum go out across the country. It is those programs that we have been developing. In each one of the phases that we have entered into—for example, the exhibition program, which is one of the more obvious parts of the museum's program—these have been carefully charted so that over this 4-year period they gradually increase in number and gradually cover a wider area of the country.

Another area of the museum's typical activity is the acquisition of a collection of objects for display and reference purposes. Although we have acted very conservatively in this area, at this point we want to feel our way carefully about what we accept and do not accept, we nevertheless have had several major opportunities to

create already a significant permanent collection, one of which is an enormous reference tool of some 52,000 drawings that document thousands of terra cotta buildings across the country. In addition, for education and display purposes, we were fortunate enough to be able to acquire a series of eight very large handsome models that graphically describe the construction of the Brooklyn Bridge. We felt that if we were a museum dealing with America's heritage, we could safely work with the Brooklyn Bridge. It is something we would always want our visitors to be able to comprehend.

Another example is, we have received a collection of some 30 scale models that depict housing in New England from the early 17th century to today. Through this, we have a very educational display for those students who will come and other visitors also. So all of these plans, both for exhibitions and for the acquisition of collections, have been related to the planning for the renovation of the Pension Building itself.

Last year when we came before you to ask you to advance the renovation money for fiscal year 1984 so we could move ahead, we were very grateful that you agreed with our assessment and we began that work. Now this will have a particular impact on our programs, because it does include provisional gallery space and lecture space, so those programs can begin. When the work that is presently underway is completed, we will be able to have visible in the Pension Building for the first time an example of the kinds of exhibitions that a building museum would do, because a building museum is, to some extent, a very alien concept. There are no building museums you could point to and say, "We are going to be just like this one." To have these galleries to show to people what we think a building museum would be, and to have them involved in meeting with us would be a great step ahead.

The same thing is true for the conference facility, because many of the groups that have already wanted to come to the museum and hold meetings now can do that. We therefore can start servicing the building community as being, as the legislation originally described, a forum for the building community.

This positive response on your part last year has now brought us to the point where we will be occupying by next winter a significant part of the Pension Building, with the exhibition and conference spaces. Already we have had to relocate in the building the other museum offices and service facilities so that we could remain there during the course of what had been conceived of as roughly a 3- to 4-year period of renovation.

I submitted, along with the written statement, a graphic description of the Pension Building, which shows you the impression of how much vast space there is. Senator Randolph just mentioned that one could get lost in it. You will notice, if you look at that chart, the actual occupiable space in that building is significantly less than what it seems. We have had to deal with that fact. Most of the vast space is, of course, the interior courtyard, which does not really serve for all purposes when it comes to using it for museum or office space.

The perimeter offices that we are now turning into galleries really have far less space than what perhaps was originally imagined. Of course, the real benefit of that building for a museum is

not necessarily the amount of available space, but it is the character of that space. As I believe it was remarked by Senator Moynihan on another occasion, the original layout of the Pension Building is such that if it had been designed to be a national building museum, it could not have been done more effectively.

We have had many visitors coming from this country and other parts of the world to see this new institution. They have actually marveled at the space, and they have not only echoed Senator Moynihan's remarks, but they have also praised the fact that the former office rooms really make one of the most handsome museum spaces they have ever seen.

The master plan also has been developed in relationship not only to coinciding with an official opening of the building in the fall of 1985—that is the current target date for termination of the project—but also in preparation for occupying the rest of the building at that time, at which point the library, archives, and information concerns will be ready to serve the public. Thus we will achieve, finally, the two other goals that were originally set forth in the legislation.

Again, we have also devised this 4-year plan in relationship to professional fundraising counsel. They conducted a survey of the private sector and, in particular, the building community. Their conclusion was that the museum could expect to raise a maximum of $13 million from that source over 4 years. The museum's board of directors have accepted that challenge, and they have set themselves the target for raising that amount, as well as pledging to raise $1.5 million from among their own members as the first step.

As you can see from what we have put before you, there is a brochure we published, called "Building the Building Museum," which relates to that fundraising council. Its motto, as you can see, of "15 million bricks 15 million dollars," derives from the number of bricks actually used in the construction of the Pension Building. That is the $13 million from the private sector, plus $2 million in Federal matching funds which were originally authorized in 1980.

This key fundraising tool I hope makes clear that the role of the Federal Government, in making the renovated Pension Building available to the museum, without charge as the legislation specifies, was the challenge that has made the private sector come along to respond to that amount of money.

This careful planning that the museum has undertaken to shape its future was also encouraged by the equally orderly progress of the work undertaken by the Public Buildings Service from the time Congress expressed its will in 1980 that the Pension Building be restored and renovated as a home for a museum. Today, the work is being completed on the roof of the Great Hall. A selected team of architects and engineers is at work at the museum on the extensive design work required for the renovation, and the actual restoration of the exterior brick work and the interior surfaces of the Great Hall is about to begin, along with the provisional gallery and conference space.

Suddenly, all of this carefully phased work on the part of the Public Buildings Service has now been threatened with interruption as well as the disruption of our entire master plan because the Office of Management and Budget did not allow any of the con-

struction funds needed to continue the job to be included in the 1985 budget. That is why we are here today. We want to appeal to you to restore funds to the 1985 budget, so that what Congress ordered can be carried out, what the Public Buildings Service and the museum have worked on so intensively for the last three years can be continued.

We plead with you not to allow the design work to be wastefully stored on the shelf and the fabric of the building remain in danger. We do not want to see the job simply left half-done. We want to continue to bring into effect our master plan that will bring to this Nation an institution celebrating the achievements of our great architectural and engineering feats, as well as providing a forum where the overwhelming problems of our built environment can be studied without passion or partisanship, and to reach solutions that will contribute to both the social and economic well-being of our country. Thank you.

Mr. CHILDS. Mr. Chairman, if you would like to entertain questions now, we also have one other witness.

Senator STAFFORD. Let me understand, there are $15 million, of which $2 million is Federal for your four-year startup plan? Am I correct in that?

Mr. LOWRY. Yes.

Senator STAFFORD. What is the cost for renovating the building?

Mr. LOWRY. The estimate that was put forward in the original request from the Public Buildings Service this year to the President was an estimate of $30 million.

Senator STAFFORD. And that is the money that is being held up by OMB?

Mr. LOWRY. Yes.

Senator STAFFORD. Mr. Childs, you had another witness?

Mr. CHILDS. We had one other witness for you today.

Senator STAFFORD. I was going to ask Mr. Mundy if he would go ahead and speak.

STATEMENT OF DAN MUNDY, LEGISLATIVE DIRECTOR, BUILDING AND CONSTRUCTION TRADES DEPARTMENT, AFL-CIO

Mr. MUNDY. Thank you very much, Mr. Chairman, for giving me an opportunity to appear here. First, let me say that I would summarize my statement, but it is brief even by Yankee standards.

Mr. Chairman, my name is Dan Mundy, and I am the legislative director for the Building Trades Department of the AFL-CIO. I am appearing here this morning on behalf of the Building Trades Department, with 15 international unions and 4 million building and construction tradesmen throughout the United States, as well as Robert Georgine, the president of the Building and Construction Trades Department.

I am here to invoke your continued support for the National Building Museum. Throughout the years, the American public has held high regard for American architecture, yet little mention has been made of those who perform the labor for our great structures. We forget that until the last half of the century, construction workers have worked for the lowest of wages and, more often than not, with little or no job security. The National Building Museum is

dedicated to these people, among others, who deserve recognition for the efforts that they have contributed to this great Nation.

The continued support of the museum is necessary to carry out this legacy. The private sector, including the 15 building trades unions, have contributed their share to this endeavor. Congress in the past has been very supportive, and we hope that Congress will be able to continue. However, this year we seem to face a $30 million cut in the public building budget. Without this money, necessary reconstruction of the museum would come to a halt, and America would lose one of its sole salutes to the building industry.

Additionally, the continuation of the work is essential to insure that the restoration of the Great Hall be complete by January 1985, which is the centennial of its first use as the site of the President's inaugural ball. If you have been to see the museum, which I am sure you have, for a reception or a visit, you will certainly agree that it is a very impressive building and deserves much more than the requested amount. Without the aid of Congress, the Federal and private initiative to maintain this institution would be seriously injured and could jeopardize the home, center and forum for all the diverse members of the building community.

Thank you very much, and I am prepared to respond to any questions in which I might have any expertise.

Senator STAFFORD. Thank you very much. We appreciate your testimony. Knowing how extensive the Smithsonian Institution is in Washington affairs and how many fields they have managed to get into, I do have to ask a question. Would you become a competitor with the Smithsonian in some of their areas? In other words, would you duplicate some of the things the Smithsonian has done or might do?

Mr. CHILDS. Senator, I do not believe so. In fact, we are in close contact with, for example, Mr. Roger Kennedy, who is the Director of the American History Museum, who is interested in many of the programs that we are carrying out. So we see that what we are doing is complementary to them, and I believe they would say the same about us. If in the future there are administrative services that could be provided jointly through the Smithsonian, we, of course, would be delighted to have that happen, and we will be glad to explore that further in the future.

Mr. LOWRY. May I also make a comment, Mr. Chairman. In a sense, you could say that it is something of an anomaly that of all the national contributions to mankind, certainly America's achievements in building, architecture and engineering are the foremost, and yet that is one area that the Smithsonian in truth does not cover, except only incidentally.

Senator STAFFORD. In other words, this museum would be unique insofar as the Smithsonian's activities are concerned, and they would not be duplicative or competition?

Mr. CHILDS. I believe so, and in fact it is quite unique in the world. There are a few others but none in the United States that have this kind of direction and mandate to recognize this single element of society or civilization that is regarded as the result of all our efforts.

Senator STAFFORD. Do your plans contemplate. That there will be any kind of mixed use of any parts of the space in the buildings,

along the lines of the Nancy Hanks Center at the Old Post Office, or do you plan it entirely to be a museum?

Mr. CHILDS. We believe there would be some uses for the public, either through a cafeteria or food facility within the building museum. Of course, the conference facilities would be open not only for our own studies but for those outside groups to make use of it, as well as museum shops and services. As Dr. Lowry has pointed out, the building, while very large, has a very small relatively usable space on the inside, and our program has really shown us that we need to occupy the building ourselves for the museum activities.

Senator STAFFORD. As you know, the administration has proposed a bill which the committee's chairman introduced by request, S. 2605. Are you familiar with it?

Mr. CHILDS. Yes, I am. We have just received a copy of it.

Senator STAFFORD. Could you react to that at all? That proposes, in effect, to authorize GSA to convey the entire building to the committee for a National Museum of the Building Arts, Inc., a nonprofit corporation, but it then leaves the corporation to reconstruct the building. Could you comment on that?

Mr. CHILDS. I would be glad to. We have not had a long time to look at this matter, this specific bill that was given us today, but I must say that as a practicing architect myself and someone who has been involved with the museum now for the past 2 to 2½ years trying to begin this fledgling institution, it is of some concern to me. We have represented the will of the Congress and, until now, the will of the administration in creating a public-private partnership to present to the potential fund donors to the museum. It is that sense of the public-private relationship that I think is fundamental to the long-term success of an institution such as this.

As you probably may guess, a beginning institution with such a large charge, but without the parent body of a Smithsonian, for example to take it under its wings, it has been a careful and difficult road along which to proceed. We are tremendously proud and pleased with how far we have been able to come in such a short period of time. We are on the verge of receiving some major donations as part of our capital campaign, and I am concerned that this withdrawal from the partnership by one of the two parties—that of the Federal Government—would be of real concern to those benefactors who have indicated their strong support, both in terms of money and contributed time that have been coming to the museum over the past 4 years.

Senator STAFFORD. Thank you very much. We have one or two other questions, Mr. Lowry, that we might submit to you for a response in writing, if that is agreeable.

Mr. CHILDS. I might just answer to Senator Randolph that as past chairman of the National Capital Planning Commission, I think his questions were of great interest. Probably that body, the planning commission itself, would be the best to answer the kinds of questions he raised before we delivered our testimony, but we would be glad to do so.

Senator STAFFORD. I think he would appreciate that. I, of course, have not been here since 1932. My experience only covers since 1961, but I think there has been a remarkable growth in buildings

in the Greater Washington area. At Crystal City, there were no buildings there at all when I came here. The same is true of Rosslyn. So we have seen an awful lot of construction. Thank you very much.

The final witness this morning will be Mr. Les Mitchell, Commissioner, Public Buildings Service, General Services Administration.

Mr. Mitchell, you might identify your accompanying friends, if you would, for the record.

STATEMENT OF LES L. MITCHELL, COMMISSIONER, PUBLIC BUILDINGS SERVICE, GENERAL SERVICES ADMINISTRATION, ACCOMPANIED BY JIM STEWART, CHIEF ENGINEER; WILLIAM LAWSON, CHIEF ARCHITECT; DALE GOTTSCHALK, DIRECTOR, REPAIR AND ALTERATIONS; AND JOSEPH GERGER, PLANNING DIRECTOR

Mr. MITCHELL. Thank you, Mr. Chairman. To my left is PBS' Chief Engineer, Mr. Jim Stewart, and to my right is our Chief Architect, Mr. William Lawson. Dale Gottschalk here is our Director of Repair and Alterations program, and we also have Mr. Joe Gerber, with us who is the Planning Director.

Senator STAFFORD. Sir, we have your full statement. We will place it in the record. Having taken a quick look at it, if you prefer to read it, it will be up to your discretion.

Mr. MITCHELL. Thank you, Mr. Chairman. First of all, I would like to share with you general background on the management directions designed to save taxpayers' dollars and result in a more efficient and streamlined program for the Public Buildings Service.

A key management initiative of the public buildings is accomplishing the President's initiative on work space management reform. I would like to assure you that with this initiative, we have an ongoing program to evaluate agency space needs in order to reduce leased space where feasible. This program is the driving force behind all of the public buildings management efforts to deliver space and services to Federal agencies at the lowest cost to the taxpayer.

The PBS is at the forefront of the administration's efforts to reduce unnecessary expenditures through its role as property manager of this initiative. We have succeeded in stabilizing the PBS inventory and have efforts currently underway to insure substantial reductions in both space managed directly by public buildings and that managed by other agencies. The complement to this undertaking is the careful formulation of a program to provide for essential new construction and implementation of the opportunity purchase program. The result will be maximum utilization of Federal space and an improved government-owned-to-leased-space ratio.

In 1984, we will also be working on a number of other important savings goals. Among these are the disposal of unneeded space, which is approximately three million square feet, generating revenue through the outleasing program that is available under the Cooperative Use Act, reducing energy consumption by 2 percent compared to our fiscal year 1983 actual experience, achievement of at least a 10-to-1 return on investment ratio in the public utilities area, and implementation of a nationwide tax abatement program.

In addition, we will be placing an emphasis on using the expertise available in the private sector to bring PBS activities into a cost-effective posture. The use of commercial facility managers is on e example of this approach.

Another important initiative to improve efficiency is the delegation of buildings management functions where they can be performed more effetively by the client agency on a decentralized basis. PBS would, of course, provide ongoing advice and support to insure a successful outcome.

The Public Buildings Service is also preparing to introduce high technology into its buiidings by developing state-of-the-art design criteria to allow buildings to accommodate integrated office automation systems and utilize technologies that minimize the cost of maintenance, operation and physical security.

We feel that these important initiatives will contribute significantly to achieving program objectives of reduced costs, maximizing efficiency and effectiveness and providing excellent service to client agencies.

I would also like to take a few minutes to inform you of the impact of the AT&T divestiture and the resultant deregulation of telephone services on GSA. Annual operating costs for telephone instruments could increase by 5 percent. The cost of future new construction and major renovation projects will also increase. Over the next 5 years, these costs will run into the tens of millions of dollars. Additionally, the cost to acquire new leased space will also increase. Estimates of this increase vary from $2 to $6 per square foot. The issue of access charges and other rates are still evolving with the regulatory and judicial structure.

Now, I would like to address the PBS' new construction and repair and alteration program for fiscal year 1985. Our fiscal year 1985 construction program consists of three needed border stations located in Lynden and Sumas, Wash., and Ysleta, Tex. These special-purpose facilities represent the highest priority of the border agencies.

We have categorized the repair and alteration projects under the headings of fire/life safety, basic repairs, courts projects, and acquisition and renovation of vacant space.

In the critical area of fire and life safety, there are six full-funded projects and eight for design, totaling $88,804,000. Generally, the major items involved are fire sprinklers in high-rise buildings, alarm systems, and asbestos removal. These projects address our paramount concern of insuring a safe and healthful work environment for Federal employees. Other items provide for emergency generators, firestoping to prevent the spread of fire, smoke and combustible byproducts, and smoke control systems.

The category of basic repairs includes eight full-funded projects and eight design projects, totaling $103,669,000. These include several historic structures, including the Blair House and the Auditor's Building, where we are working to preserve the architectural integrity of important buildings which are cherished local landmarks. Insuring the preservation of buildings which are part of our national heritage is key among our concerns.

The 13 prospectuses for repairs to vacant space will enable us to reclaim approximately 685,000 square feet of space, with a savings

in lease costs of $8.1 million annually. These projects will reclaim vacant space, upgrade buildings, and extend their useful life to provide for continued long-term Federal occupancy. In 6 years, the $46.7 million requested for these prospectuses will be recovered and the space will be available to relocate Federal employees, thus again contributing to the improvement in the ratio of government-owned-to-leased-space.

Finally, the four courts projects total $15,368,000 and provide for converting existing space in courtrooms, judges' chambers, and support facilities.

In closing, I would like to make another comment about our opportunity purchase program. Among the criteria for selecting candidate buildings and evaluating acquisitions that will be in the public interest, we will certainly keep in mind the importance of architectural design quality and building integrity which lend character and performance to structures which will be a credit to the Federal inventory.

We will be pleased to answer any questions which you have at this time, Mr. Chairman.

Senator STAFFORD. Mr. Mitchell, what does it cost per year to operate and maintain the Pension Building?

Mr. MITCHELL. I believe we are expending something between $350,000 and $400,000 per year.

Senator STAFFORD. Could the $30 million renovation of the building be divided up with appropriations over several years?

Mr. MITCHELL. Could you repeat that, Mr. Chairman?

Senator STAFFORD. Yes, certainly. The estimate to renovate the building that the witnesses just ahead of you testified to is that it would cost about $30 million.

Mr. MITCHELL. That is correct.

Senator STAFFORD. Could that be done over a period of several years, so that each appropriation might be, say, one-fifth of the total, or would that be impractical?

Mr. STEWARD. The current approach to making those determinations has been to segment the authorization over a number of years. We started in 1982 with the original authorization, and we have been adopting that approach. I think our problem at this point in time is, the $30 million investment that we make in the building is lacking any return through our normal system of income to the Federal building fund to make it a viable investment and return on that investment.

Senator STAFFORD. For the record, how could it become a viable income-producer for the building fund?

Mr. STEWART. The current legislation allows the building museum to occupy the building at no cost. Certainly, we amortize our other investments through the rent that we charge for other buildings. Lacking rent, then the other agencies would be subsidizing the investment in that particular building.

Senator STAFFORD. What you are saying is, I guess, that if it is to be an economically viable building from your standpoint, it would have to be returned to an office-space building rather than a museum, or the museum would have to pay rent; is that correct?

Mr. MITCHELL. That is correct, Mr. Chairman.

Senator STAFFORD. Do you believe the renovation of the Pension Building should be done at the expense of the Federal Building Fund?

Mr. MITCHELL. Mr. Chairman, the proposed Legislation provides for the transfer of the Pension Building to the National Building Museum. The provision in there does not provide for the Federal Building Fund to finance that type of operation.

Senator STAFFORD. All right. It has been almost 2 years since the committee approved a prospectus to renovate Blair House. Could you bring us up to date on what has happened since then, and why is GSA requesting authorization for additional funds to carry out this project?

Mr. STEWART. In 1983, when the original dollars were authorized, $2 million to move ahead on that project, the original request was for $7.5 million. The Senate asked us to take the $2 million, go back, reinvestigate the building, and return to them with our plan. Over the last 1½ years we have been doing studies, some analysis of the building, working with the State Department and evaluating the security system for the visiting dignitaries who use that facility. Out of that review of our plans has come the current plan for the project. It has an additional wing added onto the complex to house the head of state, basically for security reasons, and that is the reason we need the additional funds.

Senator STAFFORD. Gentlemen, we have additional questions we would like to submit to you for your response in writing at your earliest convenience. Senator Randolph also has some. Finally, other members of the committee, who are not able to be here this morning because of floor debate, may have some as well. If that is agreeable, we will submit a number to you in writing.

In addition to that, without objection, we will place a statement by Senator Hecht and a letter from Senator Laxalt in the record.

[The letters follow:]

STATEMENT OF SENATOR CHIC HECHT

BEFORE THE

SENATE ENVIRONMENT AND PUBLIC WORKS COMMITTEE

MAY 3, 1984

Mr. Chairman,

Thank you for this opportunity today to present testimony on behalf of a third United States District Court courtroom facility for the City of Las Vegas. I appreciate your taking the time to hold these hearings.

Over the past decade, the State of Nevada has experienced the greatest population boom of any state in the nation, exhibiting a growth rate of almost 64% while showing no signs of diminishing. This fact is amazing to say the least, yet, the City of Las Vegas underwent an even greater expansion during this period witnessing a 70% growth rate. Las Vegas now has the distinction of being "home" to over half of all Nevadans today.

As you can imagine, the dramatic population rise within Las Vegas has placed incredible strains on local community services and facilities. City officials and planners have worked hard to keep-up and have done an excellent job in meeting the needs of this boom. One area where demand for upgraded facilities has not been resolved, however, is the need for expanded courtroom space. Record level caseloads are placing severe strains on the city's ability to handle the volume of cases and state courtrooms have been pressed into service as a temporary solution.

Plans are now underway to solve this situation and $1.2 million is being sought to add a third courtroom within the existing federal building. These funds would be used to expand the current court facilities, originally designed for easy expansion of this type, by 5,150 square feet, adding new judges chambers, jury deliberation room and of course the new courtroom.

The General Services Administration has previously reviewed the merits of an additional courtroom and recommend the approval of $1.2 million of its construction. As well, President Reagan included funds in his Fiscal Year 1985 budget to speed the project's completion.

Mr. Chairman, all that remains is for your Committee to include the Las Vegas project in the FY85 Public Buildings Service Authorization bill. I strongly urge you to provide the monies necessary to build the third courtroom. I am sure that when you assess the many projects before you for funding, the additional courtroom will rate as one of the most worthwhile.

Thank you again for allowing me to submit evidence on this matter and thank you for all your consideration.

PAUL LAXALT
NEVADA

COMMITTEE ON APPROPRIATIONS
COMMITTEE ON JUDICIARY

United States Senate

WASHINGTON, D.C. 20510

January 27, 1984

WASHINGTON OFFICE:
315 RUSSELL OFFICE BUILDING
(202) 224-3542

CARSON CITY OFFICE:
705 NORTH PLAZA STREET
(702) 883-1910

LAS VEGAS OFFICE:
300 LAS VEGAS BLVD., SOUTH
(702) 385-6547

RENO OFFICE:
300 BOOTH STREET
(702) 784-5568

Dear Bob,

When you authorize courtroom construction projects later this year, I urge you to include both a design and construction authorization for a third courtroom and adjunct facilities in the Las Vegas Federal Building. I understand the prospectus is currently pending before your Committee and has the full support of the Administration. The project is sorely needed in Nevada and I request that you act favorably on the request.

Las Vegas is slotted for two full time Federal Judges. Currently two visiting judges are serving there, but the positions will soon be filled with permanent judges. In addition, there is a senior judge. All three judges have full caseloads. Yet, the Federal Building only has two courtrooms. As a temporary expedient, the Clerk of the Court has made arrangements to use a State courtroom and chambers. Unfortunately, the future of this arrangement cannot be guaranteed beyond January 1984.

In short, the need for additional space is clear. The Administration supports the project. For these reasons, I strongly urge you to see that the entire project is completely authorized as soon as possible. Of course, I would be delighted to answer any questions you have on this subject.

Thank you for your attention to this matter.

Warm regards,

PAUL LAXALT
U. S. Senator

The Honorable Robert T. Stafford
Chairman
Committee on Environment and
Public Works
United States Senate
Washington, D. C. 20510

PL/ssm

35-094 O—84——4

PAUL LAXALT
NEVADA

COMMITTEE ON APPROPRIATIONS
COMMITTEE ON JUDICIARY

United States Senate
WASHINGTON, D.C. 20510

WASHINGTON OFFICE:
315 RUSSELL OFFICE BUILDING
(202) 224-3542

CARSON CITY OFFICE:
705 NORTH PLAZA STREET
(702) 883-1930

LAS VEGAS OFFICE:
300 LAS VEGAS BLVD., SOUTH
(702) 385-6547

RENO OFFICE:
300 BOOTH STREET
(702) 784-5568

February 3, 1982

Dear Bob:

Last October we were contacted by the Honorable Roger D. Foley and the Honorable Harry E. Claiborne, Judges for the U.S. District Court in Nevada, concerning the construction of an additional courtroom facility for the District Court in Las Vegas.

The initial request for this space was submitted in February, 1979. The General Services Administration has approved the project prospectus, and we understand that the prospectus has now been transmitted to the Environment and Public Works Committee. If matters proceed in the normal fashion, the earliest possible appropriation date would be fiscal year 1984.

We are very concerned about the length of time which will be required before the courtroom is ready for occupancy, and we believe that the space problem has now become critical. We have enclosed a copy of an analysis and justification for the needs of the additional space from Judge Claiborne which we believe addresses this issue in a concise manner.

Because the needs for additional space are great, we have asked the GSA to expedite processing of this project. However, we know that it is necessary to advance the authorization and appropriation for the additional space in order to facilitate such a request. Therefore, we request that the authorization and appropriation for this paritcular prospectus be approved at the earliest possible date.

We appreciate your attention on this request, and hope that you will feel free to call on us if you need further information.

With warm personal wishes, we are

Sincerely,

Paul Laxalt

HOWARD W. CANNON

PAUL LAXALT

PL/smp

The Honorable Robert T. Stafford
Chairman
Environment and Public Works Committee
Room 4204 Dirksen
Washington, D.C. 20510

UNITED STATES DISTRICT COURT
DISTRICT OF NEVADA
300 LAS VEGAS BOULEVARD SOUTH
LAS VEGAS, NEVADA 89101

CHAMBERS OF
JUDGE HARRY E CLAIBORNE
385-6432

December 18, 1981

SENATOR PAUL LAXALT
RECEIVED
DEC 18 1981
LAS VEGAS, NEV. 89101

The Honorable Paul Laxalt
United States Senator
300 Las Vegas Boulevard South
Las Vegas, Nevada 89101

Dear Paul:

This letter is written to give you a better understanding of the critical space needs of the Court, to apprise you of what we have done in attempting to resolve this crisis and to again solicit your assistance in obtaining our much needed space.

Having reviewed the files regarding court space for Las Vegas it is very apparent to me that from the very beginning our efforts to obtain necessary space have been frustrated by both the Administrative Office of the United States Courts and General Services Administration.

At my request, the Clerk of Court prepared a brief outline of the history of our pending space requests. The files are voluminous and the outline only touches the major correspondence. A copy of this outline is enclosed for your information.

As early as June 3, 1977, this Court recognized that we were going to be faced with serious space problems and began requesting additional space. Even our June, 1977 space request has not beem complied with. Therefore, at this point, we not only don't have a courtroom for Judge Foley's successor, we don't even have a chambers. We have been lied to, stalled, and our requests for space left on a forgotten shelf for more than four years. Now the problem is not just serious, it is critical.

Judge Foley desires to take Senior status but cannot do this because of the lack of courtroom facilities. It is apparent that neither the Administrative Office nor General Services Administration care!

Although we were originally told that General Services Administration would submit the prospectus for our third courtroom to the Public Works Committees of both the House and the Senate in April, 1981, that has now been delayed until January, 1982. In November, we were further advised that "because of a moratorium currently imposed by the Senate Committee, the earliest GSA would be able to request an appropriation would be Fiscal Year 1984.

I am told that even if both Public Works Committees approve the prospectus, the project will then become a line item in the General Services Administration's budget for FY-84 which GSA will then submit to the Appropriations Committees for both the House and the Senate for consideration.

Now realizing how GSA functions, or rather fails to function, it is my honest belief that we won't acquire additional space for six or seven years, if then, unless we receive assistance from you and the other members of our congressional delegation.

According to our latest statistics, civil filings in this district from January 1 - October 31 increased 97% over 1979 and 51% over 1980. Criminal filings for the same time frame increased 47% over 1979 and 15% over 1980. Between January 1, 1981 and October 31, 1981, there were 965 civil cases and 187 criminal cases filed in this District, for a total of 1,152. We have pending in Las Vegas over 240 multi-district litigation cases as a result of the MGM Hotel fire. These cases have all been assigned to a visiting judge. He must have space to hold hearings on discovery matters. Recently a criminal trial was just completed in Las Vegas which took over five months to complete.

We need the additional judge power but we must also have the space for that judge in order to be able to keep even reasonably current with the ever-increasing caseload.

Anything you can do to help us resolve this critial situation will be greatly appreciated.

Sincerely,

Harry E. Claiborne

HEC:ja

OUTLINE - LAS VEGAS SPACE REQUESTS

June 3, 1977	Judge Foley sent letter to the Administrative Office requesting additional 1142 square feet for expansion of law library space. Proposed plans were also submitted.
June 16, 1977	Administrative Office sent letter to Judge Foley indicating that they had no authority to proceed until the Omnibus Judgeship Bill was enacted and funds provided. They did alert GSA to the potential requirement.
September 1, 1978	Honorable Harry E. Claiborne sworn into office.
December 1, 1978	Clerk of Court wrote to A.O. again requesting 1142 square feet.
December 6, 1978	A.O. submitted written request to GSA for 1142 square feet.
January 3, 1979	Clerk advised by A.O. that due to a "ceiling" imposed by Congress and/or OMB on amount of money expended from the "Federal Building Fund" and although there was plenty of money in said fund the ceiling had been reached and GSA had declared a freeze and would not move any agencies out of the building to make way for our expansion.
February 14, 1979	The Judges and Clerk met with Senior Judge Chambers who served as the 9th Circuit's liaison and as such represent the Circuit Council on matters of space acquisition, etc.
February 23, 1979	Special Order #20 was entered, assigning visiting judges chambers to Judge Claiborne for use as a law library, since we had not been successful in obtaining additional space.
April 10, 1979	Senior Judge Chambers sent a letter to A.O. on behalf of this Court requesting third courtroom, chambers and supporting facilities for a total of 5531 square feet and indicating the Circuit Council had approved the request. Proposed building plans were also submitted.
July 2, 1979	A.O. wrote to GSA requesting that they proceed with the satisfaction of our first request for 1142 square feet.

July 2, 1979	A.O. advised this Court that they would not proceed with third courtroom request until Omnibus Judge was actually on the payroll
October 1,1979	Judge Edward C. Reed sworn into office.
May 30, 1980	A.O. now advised this court they would not proceed with third courtroom request until Judge Foley sent a letter indicating his intention to take senior status.
June 23, 1980	Judge Foley gave written notice to the Administrative Office that he would assume senior status on 5/1/82 and again requested that the third courtroom and other facilities be authorized.
September 15, 1980	A.O. submitted formal request to GSA for 5150 additional square feet.
November 4, 1980	Request was made by court for written report as to status of space requests.
November 20, 1980	Judges and Clerk met in Las Vegas with representatives of A.O. (Space & Facilities Branch) and GSA (Public Buildings Service & Space Management Division) regarding urgent space problems facing this Court. At this meeting the Court was assured by both GSA representatives "that the Court's needs will be escalated in terms of importance of GSA." They also indicated that since funds for FY81 & FY82 were already committed we would get funding for FY83. Courts proposed building plans were again provided to A.O. and GSA.
March 13, 1981	Clerk again wrote to A.O. requesting that we at least be given the additional square footage (1142) for the law library, to assure we would have a chambers for Judge Foley's successor.
March 20, 1981	GSA-Region 9 submitted a draft prospectus for the third courtroom to GSA-Central Office in Washington and at that time advised it would be unlikely the project would be funded prior to FY84.
May 8, 1981	GSA-Central Office requested additional justification from the Court for third courtroom prospectus.

May 11, 1981	Additional justification prepared and submitted by the Clerk of Court to GSA.
September 2, 1981	The Court was advised by the A.O. that GSA-Central Office had approved the prospectus and would submit same to the Public Works Committees of the Congress in January 1982, along with all other projects they had approved.

Total Time Elapsed

June 3, 1977 - Present - 4 Years, 6 months +
on initial request for 1142 square feet for law library - in order to provide chambers for Judge Foley's successor.

April 10, 1979 - Present - 2 years, 8 months +
on request for third courtroom project.

Carol F. Fitzgerald

Prepared and submitted
by CAROL C. FITZGERALD,
Clerk of Court
December 10, 1981

Senator STAFFORD. Thank you very much, gentlemen.
The committee will stand adjourned.
[Whereupon, at 11:15 a.m., the committee recessed, to reconvene at the call of the Chair.]
[Statements and responses to additional questions follow:]

THE NANCY HANKS CENTER

Prepared Remarks Before

THE SENATE COMMITTEE ON THE ENVIRONMENT AND PUBLIC WORKS

By: Charles C. G. Evans, Jr. - President
THE EVANS DEVELOPMENT COMPANY

May 3, 1984

MR. CHAIRMAN AND MEMBERS OF THE COMMITTEE:

On behalf of The Evans Development Company, I want to thank you for the opportunity to share with you the story of the successful rebirth of The Old Post Office. I would also like to share with you some thoughts we have on how The Cooperative Use Act process might be made even more effective, by providing GSA with additional enabling legislation; and, finally to show you our concept for expansion of The Pavilion at The Old Post Office - a much needed addition to guarantee the continued success of the Nancy Hanks Center - the Nation's prime example of the meaning of "Cooperative Use".

I would like to preface my remarks by applauding this Committee and its dedicated Staff and the General Services Administration for having the courage and innovation to break new ground by establishing The Cooperative Use Act. The Act you have created speaks to the essence of the involvement of Government and its people - it goes, I believe, far beyond the saving and reusing of older buildings and the mixing of uses in new buildings to come -; for, it has the potential to nourish and encourage an understanding of our Government by the business community, by our educational, cultural and art institutions, and by the individual American Citizen through the involvement of each of these in the daily lives of Federal Buildings.

At The Old Post Office you have gathered under the collective wings of the Nancy Hanks Center - this Nation's Endowments for the Arts and Humanities, museum services, historic preservation, a tourist observation tower, free public entertainment, fifty independently owned restaurants and retail businesses, over 400 new full and part-time jobs, and a haven for visitors, workers, and residents alike - you have created a new heart beat for Pennsylvania Avenue, a sense of community for the city and, most importantly, a Government Project that GSA and this Committee can point to with great pride - that gentlemen is quite an accomplishment.

The proof of its success can be measured in many ways; we have had over 300 articles written on the Project since its opening some eight months ago - articles from over 70 different countries, cities, and states, including features in "National Geographic" and "Time"; we have had over 400 different performances on the stage and in the 11th Street Bandstand; we

35-094 O—84——5

have had more than 800,000 people visit the project since its opening and tenant sales per square foot are projected to exceed $500 per square foot the first year.

By your charge the task at The Old Post Office for accomplishing the goals you set forth in this legislation fell to GSA and ourselves - and, I might add, it was no mean task. As some on the Committee and Staff know, because their was no precedence to look to or fall back on, we and GSA had to blaze new trails - where had the Government ever had to meet the needs of a lender whose security was more important that the Government's right to cancel, where had it been necessary before to allow private enterprise to maintain the public spaces in a Federal Building, and where else had the Government had to leave the ultimate decision on the selection of tenants in a Federal Building up to private business? Obviously, the answer is nowhere else had any of this been attempted.

It was as tough a task for GSA as it was for us. Had their been a precedent, our joint task would have been much easier. But, since we were on the cutting edge, both we and GSA learned invaluable lessons. What I would hope is that through a critique process, perhaps jointly chaired by your Committee and GSA, the "worker bee" participants, attorneys, negotiators, etc. from both the public and private side could, through a critique and charrette of the process, come up with development, as well as, operating guidelines and a structure for responsive and authoritative problem solving. By developing enabling legislation, borne out of the experience of The Old Post Office, I believe other projects will benefit significantly - we should share our experiences to strengthen the program for the future.

Although the project has established a strong position in the marketplace, it still takes between 18 to 24 months to establish a strong repetitive return business in any urban project. Based upon our experience in keeping urban projects competitive, we believe that in order to keep our existing customer base and expand it in the face of the new influx of retail competition we need to immediately add an additional 30,000 to 40,000 square feet of new retail shops. A recent intercept survey we conducted bore out this for it showed that the single strongest reason for customers' interest in returning to an urban center was the variety and number of stores. Over 65% of our survey respondents stated that more stores and more fashion related shops was the single most important factor in bringing them back. All of us, your Committee, GSA, and ourselves, have proven that The Cooperative Use Act cannot only work, but work superbly well - we cannot then afford to rest on our laurels - we must create the additional critical mass necessary to keep The Old Post Office competitive and we must do it now. If we fail to meet this challenge our success will wane; for, those who are drawn to the marketplace will favor those projects with a wider and more diversified retail presentation.

To that end, we are proposing to GSA that we immediately undertake to negotiate a Supplement to our Lease Agreement providing for a 40,000 square foot expansion of the project into the Internal Revenue Service Courtyard parking lot. The expansion we propose is not only consistent with the approved Federal Triangle Plan and the Federal Walk which calls for more retail and restaurant development around the IRS Courtyard, but is also consistent with the spirit and intent of The Cooperative Use Act.

At this point I would like to have David Mudgett briefly explain the expansion plan.

In summary, we as a company have been drawn to the urban market. We serve a need in the lives of the city visitor, worker, and dweller for a place to share with others the joy of the marketplace; its food, its cultural events, its color, and the texture of quality retailing. Our redevelopment of the Providence Arcade in Senator Chafee's Home State and The Pavilion both blend all of these elements.

Under The Cooperative Use Act more projects of significance can and will be produced. Our company's positive experience in working with GSA under The Cooperative Use Act encourages us to expand our project and to look forward to the opportunity of developing other such projects in the future.

Before closing, I would mention that National Endowment for the Arts has commissioned and produced an excellent film on the saving and redevelopment of The Old Post Office which I would strongly recommend your seeing. Also we, in conjunction with the Friends of the Nancy Hanks Center on whose Board I sit, have been working with National Geographic to fund and produce a touring exhibition on the Saving and Re-Birth of The Old Post Office.

In closing, we have had many inquiries by other cities and foreign visitors on how such a project was accomplished. I remember, when touring the project a group of Mainland Chinese planners and architects from Bejing marvelled, <u>not at the building and its architecture</u>, but at the fact that the Government encouraged private development in its building. When questioned on how it was done I merely replied to our State Department interpreter, "Well, it's simple, for two years we taught GSA the shopping center

business and for two years they taught us bureacracy." After a slight pause the interpreter decided to translate my answer which envoked knowing smiles and laughter from our Chinese visitors. The importance of a foreign government's interest in our government's willingness and confidence in encouraging its citizens' involvement and participation in Government Buildings is just another example of the value of The Cooperative Use Act.

Hopefully, The Pavilion's success will be only one of hundreds to be developed over the next decade.

NHOPO.REM

Evans Development Company

May 7, 1984

VIA MESSENGER

Senate Committee on Environment
and Public Works
Room 410
Dirksen Sentate Building
1st & Constitution, N.E.
Washington, DC 20510

ATTN: Mr. Sheldon Kravitz

Dear Mr. Kravitz:

In response to Senator Moynihan's questions relating to our preliminary analysis of commercial use potential in the Pension Building and the potential of mixed-use within the Pension Building itself as opposed to mixed-use within the neighborhood of the Pension Building, I respectfully submit the following answers in response:

1. To date, we have made a very preliminary analysis of the viability of our involvment in the creation of potential commercial space within the Pension Building. The analysis we have undertaken is based upon a walk-through of the building, a very preliminary investigation of the neighborhood surrounding the building, coupled with our general market research that we have done on the commercial potential in Washington. We have not done an extensive analysis, but rather an in-house field investigation. As far as how mixed-use could work in the building is concerned, we would offer the following comments:

   Because of its unique design and architectural character the building lends itself to displays, the free-flow of pedestrian movement, low noise generating activities and development which would not hinder either the historic nature nor the visual impact of the building. In other words, uses could be mixed within the space, but we do not believe high intensity commercial uses would work or be advantageous. The space does, however, in our opinion, lend itself to institutional uses such as displays, exhibits, etc. and these types of uses can be carefully integrated with cultural uses, educational uses, and arts uses to form a comprehensive mix of compatible uses.

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2. In response to the second question, because of the nominal amount of square footage available for actual use within the building, it would not be possible to mix several significant or large uses within the building for space requirements alone would be a substantial hinderance. It is, however, possible to cluster around one major use within the building a series of other smaller uses which are complimentary and add support to the prime use. For example, if the space were to be used mainly for museum or exhibit space, additional areas within the building might be able to be used by various arts, cultural and educational groups whose focus and purpose is to support and add to the main museum or exhibit use. It would also be possible to include with a prime use such as a museum, small retail and food facilities that would compliment and support whatever that prime use was.

I trust that this will be helpful to the Committee in analyzing the potential uses you wish to incorporate into the Pension Building.

Sincerely,

Charles C. G. Evans, Jr.

CCGEJr/dif
SC.ltr

Written Statement of Bates Lowry, Director, National Building Museum
Prepared for the Senate Committee on Environment and Public Works
Hearing, May 3, 1984
On behalf of the National Building Museum

Mr. Chairman, Ladies and Gentlemen:
When appearing before this committee last year the museum went into some detail about its many achievements during the brief span of its existence since the enabling legislation of December 1980. Today, I can report that its growth continues to be constant and that every day its programs are affecting an ever increasing number of our citizens in a way that ultimately will have a positive effect on our nation's built environment. Gradually, the museum's programs are beginning to warrant the faith that this committee had that such an institution would bring forth benefits for all.

This morning, however, rather than detailing more of the museum's recent achievements, I would like to focus your attention on the fact these different activities have been guided by a deliberate, carefully coordinated, long range master plan that was developed by the museum in response to:

1) the terms of the original legislative mandate embodied in Public Law 96-515
2) the time-table for the renovation of the building
3) the result of a professional fund-raising survey.

One of the first steps taken to implement the legislation was the creation of a joint federal-private Board of Directors, the make-up and powers of which were detailed in the cooperative agreement mandated by the legislation and entered into by the General Services Administration and the Department of Interior and the museum.

Acting together these representatives of the private and federal sector have overseen the development of the museum's master plan and have adopted its goals as their own. Long-range commitments in support of activities and programs have been entered into following the guidelines of the master plan.

The first phase of the master plan covers a four year span at the end of which each of the museum's programs will have reached a level where its national impact is truly significant in terms of the number of places across the nation that are directly benefitting by its activities. For example, the exhibition program of the museum is planned to grow from four exhibits the first year to twelve in the fourth year. Already many of these events are in the works with arrangements at different stages of development.

Another area of museum activity that has been charted within the first four-year phase is the acquisition of a collection of objects for both display and reference purposes. Although for obvious reasons the museum has acted extremely conservatively in this area, there nevertheless have occurred opportunities that the museum has responded to positively, as it could judge the acquisition of such

objects within the terms of its long-range plan. An incredibly rich research tool that otherwise would have been destroyed was saved by the museum when it acquired a cache of 52,000 drawings documenting thousands of terra cotta buildings across the country. For educational and display purposes the museum was fortunate to receive a series of eight large, handsome models that graphically describe the construction of the Brooklyn Bridge in a way that all interested non-specialists can comprehend. Also contributing to the understanding of changing styles and construction techniques is a collection we are receiving of thirty scale models depiciting New England houses spanning the period from the 17th century to today.

Plans for both the exhibition program and the use of the objects being acquired obviously are necessarily related to the planning for the renovation of the Pension Building. Last year when we came before you we requested that funds be appropriated for FY1984 so the renovation process could be advanced. We are grateful that you then agreed with our assessment and made it possible to begin the work currently underway. This work will have a particular impact on the museum's programs as it includes provisional gallery space to allow us to inaugurate a series of exhibitions as early as next winter and the provisional conference facility will enable us to provide space to the many different groups within the building community who wish to hold meetings at the museum, thereby making us in fact, the forum for the built environment that our legislation envisaged the museum becoming.

Your positive response to advancing the restoration of the building has also led to the relocation in the building of museum functions into space where they will remain until the final renovation is completed. Together with the exhibition and conference spaces, these office and service spaces already occupy almost half of the total 75,000 square feet of net occupiable space which the Pension Building contains. Submitted along with our written statement is a graphic depiction of the actual amount of usable space in the Pension Building. As can readily be seen, the impression of vast spaces is primarily related to the Great Hall. The perimeter office rooms offer far less space than might be imagined. The real benefit of the building for a museum, however, lies not in the amount of available space but in the nature of that space. As has been remarked on another occasion by Senator Moynihan, the original layout of the Pension Building is such that "if it had been designed to be a national building museum, it could not have been done more effectively." Recent visitors who have marveled at the space have echoed this remark and in addition have praised the former office rooms as making one of the most handsome museum spaces they have ever seen.

As the master plan has been developed in relation not only to the provisional spaces but to the accomplishment of the restoration, the first four years have been detailed to coincide with an official opening of the completed building in the Fall of 1987 - the current target date for termination of the project. Thus, while the museum builds its national program and uses the provisional spaces in the building as its base, it also will be preparing to occupy the rest

of the building. At that time the library, archives and information center will be ready to serve the public, thus achieving two other goals set forth for the museum in its legislative mandate. All the steps necessary to achieve these goals not only have been set forth in the four year plan but are guiding the museum's current activity in these fields.

As mentioned earlier, the four year plan of the museum is also based on the advice of professional fund raising counsel, who, after conducting a survey of the potential sources of support in the private sector, particularly the building community, concluded that the museum could raise a maximum of $13,000,000 from that source over four years. The museum's Board of Directors has accepted that challenge and have set for themselves a target of raising $1,500,000 from among their own members as the first step in reaching that goal.

To aid in the fund raising effort the museum has published a new brochure called "Building the Building Museum." Its motto "15 million bricks - 15 million dollars" derives from the number of bricks actually used in the construction of the Pension Building, the world's largest brick building. ($2,000,000 in federal matching funds authorized by the original legislation are included in the 15,000,000 figure). This key fund raising tool makes clear the role of the federal government in making a renovated Pension Building available to the museum "without charge' as our legislation specified, and the challenge to the private sector of supporting the museum's programs.

The careful planning that the museum undertook to shape its future was encouraged by the orderly progress of the work undertaken by the Public Buildings Service from the time Congress expressed its will in 1980 that the Pension Building be restored and renovated as a home for the museum. Today work is being completed on the roof over the Great Hall, a selected team of architects and engineers is at work with the museum on the extensive design work required for the renovation, and the actual restoration of the exterior brick work and the interior surfaces of the Great Hall is about to begin, along with the provisional gallery and conference space.

But all of this carefully phased work is now threatened with interruption because the Office of Management and Budget did not allow to be included in the FY1985 budget any of the construction funds needed to continue the job.

That is why the museum is here today.

To appeal to you to restore funds to the 1985 budget so what Congress ordered to be carried out, what the Public Buildings Service and the museum have worked on intensively for the last three years, be carried out.

We plead with you not to allow the design work to be wastefully stored on the shelf and the fabric of the building allowed to remain in danger.

Don't leave the job half done.

Allow us to continue to put into effect our master plan which will bring to this nation an institution that will celebrate the achievements of our great architecture and engineering feats as well as providing a forum where the overwhelming problems of our built environment can be studied without passion or partisanship to reach solutions contributing both to the social and economic well being of our country.

MEMORANDUM

DATE: 7 May 1984

TO: Sheldon Kravitz, Committee Staff Member, Senate Committee on Environmnet and Public Works

FROM: Bates Lowry, Director, National Building Museum

RE: Questions submitted by Senator Moynihan relating to S.2605 and the continued renovation of the Pension Building

Question 1:

What would be the effect of the passage of S.2605 on the future of the National Building Museum?

The National Building Museum would cease to function as the legal entity established by Congress in 1980.

The public would lose all faith in an organization whose basic compact could be so easily annulled and would no longer participate in the funding.

Having solicited support within the terms of its legislative mandate the museum's future requests for help would be suspect.

A particularly severe impact would occur regardless of the above effects as repealing Public Law 96-515 would force the museum to assume all the costs related to the operation of the building. As presently constituted, Public Law 96-515 retains the Pension Building as a Federal building, operated jointly by the General Services Administration, the Department of the Interior and the Committee for a National Museum of the Building Arts.

The legislation instructs the parties to enter into a cooperative agreement, which

1) makes the site available to the committee without charge

2) provides such maintenance, security, information, janitorial services as may be necessary to assure the preservation and operation of the site.

In addition, S.2605 would make the museum responsible for raising the $30,000,000 required for the renovation of the building. The magnitude of this sum exceeds even such fund raising drives for renovation projects like the Statue of Liberty or total capital campaign drives by major colleges and universities with established constituencies.

Professional fund raising counsel, after in-depth surveying of the private sector, sets a maximum of $13,000,000 as the amount that could be raised from the private sector over four years and even that amount was predicated on the concept of a joint private-federal initiative.

In brief, this national institution could not continue.

Question 2:

Is it safe to say that the absence of Federal support would have a chilling effect on private sector fund-raising?

Yes, private donors need assurance that the Pension Building will be preserved and that the National Building Museum will be able to operate as a viable institution.

If Federal support for the building renovation is not continued, serious doubts would be cast on the future of the museum and make it more difficult to operate a program of adequate scope to be recognized as the vital new force the museum should become in the development of our nation's built environment.

Up to this time, there has been steady progress, both in developing the museum's programs and in restoring the Pension Building. Donors have responded to this process by increasing both the size and number of donations.

Many pledges and donations have been made in anticipation of the building renovation and the movement toward full-scale museum operations which will be made possible by the renovation. If this is halted or delayed, the entire momentum built up over the past four years will be lost.

Question 3:

I note there is no plan for non-museum related mixed use in the Pension Building. Has mixed use been explored and dismissed? Please explain.

The National Building Museum fully embraces the concept of mixed-use of Federal Buildings. Its plan for the space provides for a variety of functions although almost all are museum related.

Explanation: Public dining opportunities will be provided in the planned museum restaurant on the third floor, and the informal indoor/outdoor dining area on the first floor.

We also plan a large museum shop providing material not otherwise available in the Capital.

The museum will also contain the National Building library which will be open to qualified scholars and the general public, and a smaller facility, the Public Information Center, will contain selected reference materials and complete data terminals for use by museum visitors and the general public.

Significant special and joint uses are anticipated for the museum's conference facilities on the first floor. These will be available for groups and organizations within the building community to hold meetings and conferences, and may be reserved on an appropriate basis for series of courses or lectures offered to the general public.

Other cooperative uses involve the museum's education and research center which will house joint programs involving faculty and students from Colleges and Universities in the Washington area and around the country.

Of course, the museum's ongoing Great Hall program provides a highly useful and relevant mixed-use function consistent with the Cooperative Use Act. A growing number of groups have chosed the Great Hall for their dinners, dances, concerts, ceremonies, etc. Although

the use of the Great Hall has been interrupted periodically for interim construction actitivies, when it has been available, this facility has been used on almost a weekly basis.

Finally, it should be noted that the Great Hall is a Category I historic landmark - one of only 20 in the Capital. It is therefore set apart from other landmark buildings such as the National Gallery of Art, the Jefferson Memorial and the Old Post Office, all of which fall in the Category II landmark designation. Accordingly we have planned to restore and retain the unique character of this building which the architect had dedicated not to a victorious Army but instead had described it as being a memorial to all men who are willing to give their lives for an ideal. This thought is beautifully represented by the great frieze on the exterior of the building. The splendid architecture of the interior was intended to provide the nation with a setting for public festivities and rites, and our current legislation requires that this space remain available for such events.

Question 4:

What harm would result if the funding for the Pension Building is spread over several years?

Thus far the renovation process has proceeded in a logical and systematic manner to the point where the first phase of renovation work will shortly be awarded. Plans and specifications for the balance of the work are expected in FY1985. Any change in funding which would disrupt this ongoing process would interrupt the integral planning flow which is necessary to assure that problems, alternatives, concepts and goals are considered systematically to provide the best end result.

Thanks to the work already advanced on the overall plan the renovation of the Pension Building can be spread over several years without encountering such dangers. Substantial work can be accomplished in each of the next three years, with the basic repair and upgrading of the structure being started in FY1985. The bulk of the work that can be begun now is necessary under any circumstances and does not relate to a specific museum use. Such work

includes such necessary items as: the replacement of all the windows which presently are in poor condition and allow further deterioration of the fabric. The same is true of the roof and skylights over the perimeter offices. Fire and life safety requires the replacement of the elevators, the upgrading of the forth floor balcony, adding fire stairs and improving the exits to the building. Also required is the removal of loose paint on walls and ceilings because of potential lead hazard.

A proper and safe lighting system for the Great Hall should be installed.

Demolition work in the spaces surrounding the Great Hall would prepare for their subsequent re-use either as offices or museum space.

Finally, a first stage of constructing an underground addition could be entered into in FY1985. Such an addition is required regardless of future use as the building presently is without adequate service space and has no delivery access. It is my understanding that all of these construction tasks could be carried out for approximately $10,000,000.

II

98TH CONGRESS
2D SESSION

S. 2605

To authorize the Administrator of General Services to convey property to the Committee for a National Museum of the Building Arts, and for other purposes.

IN THE SENATE OF THE UNITED STATES

APRIL 30, 1984

Mr. STAFFORD (by request) introduced the following bill; which was read twice and referred to the Committee on Environment and Public Works

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A BILL

To authorize the Administrator of General Services to convey property to the Committee for a National Museum of the Building Arts, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That in order to provide a national center to commemorate and encourage the building arts and to preserve and maintain a nationally significant building which exemplifies the great achievements of the building arts of the United States, the Administrator of General Services is authorized to convey, without monetary consideration, all rights, title, and interest of the United States in the Federal building located in the block bounded by Fourth Street, Fifth Street, F Street, and

G Street, Northwest, in Washington, District of Columbia, to the Committee for a National Museum of the Building Arts, Incorporated, a nonprofit corporation organized and existing under the laws of the District of Columbia, or its successor.

SEC. 2. The Deed of Conveyance—

(1) shall provide that the property be renovated and maintained in perpetuity in a manner to preserve, enhance, and restore the distinctive and historically authentic architectural character of the site consistent with the needs of a national museum of the building arts, and other compatible use; and that the Corporation shall afford the Advisory Council on Historic Preservation established under section 470i to 470n of title 16, United States Code, a reasonable opportunity to comment with regard to any renovations or alterations in accordance with regulations established by the Council applicable to Federal agencies;

(2) shall provide that if the Administrator determines, at his sole discretion after consultation with the Secretary of the Interior and the Secretary of the Smithsonian Institution, that the Corporation has not received sufficient funds or property by donation or otherwise within five years after date of enactment, to operate a viable museum, and to maintain and renovate the building in a manner adequate to preserve,

enhance, and restore its distinctively and historically authentic architectural character, the property, in its exisiting condition, shall revert to the United States; and

(3) may contain such additional terms, reservations, restrictions, and conditions as may be determined by the Administrator to be necessary to safeguard the interests of the United States.

SEC. 3. Section 470w–5 of title 16, United States Code, is repealed.

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35-094 O—84——6

RESPONSES FROM THE GENERAL SERVICES ADMINISTRATION

QUESTION 1:

Why do some prospectuses provide updated cost estimates while others do not? For example, the prospectus for repair and alteration of the Oceanographic Building, Suitland, Maryland, was submitted on May 15, 1981. Design money was appropriated ($643,000) in FY 84, but only 29 percent of the funds is planned for obligation. How valid are the cost estimates which assumed that the project would begin in FY 1983.

A contrasting case is provided by the Post Office-Courthouse in Scranton, Pennsylvania. Three prospectuses have been submitted for this project. The first, dated February 2, 1982, totalled $1,669,000; the second dated May 19, 1983, totalled $2,337,000; and the third dated March 14, 1984, totalled $4,358,500. In little more than two years estimated project costs have been escalated 161 percent. Why?

ANSWER 1:

Each project cost has been reviewed, and our regional engineering staffs have confirmed the amounts submitted or provided escalated figures. Project scopes and costs are under constant refinement as the planning and design process proceeds. Inflation rates can vary from those anticipated during prospectus development. The cost estimates in the prospectuses currently pending are valid.

The design funds appropriated for the Oceanographic (NIC #1) Building in Suitland were made available in December 1983. It takes approximately nine months for selection and award of an Architect-Engineer contract for the design. The amount planned for obligation in FY 1984 is for the selection process and the first phase of the actual design.

The original Scranton, Pennsylvania, PO-CT project was developed by the National Capital Region. In revalidating the project cost and scope, our new regional office in Philadelphia indicated that the original cost, even escalated using actual and projected construction costs indices, was insufficient to accomplish the project. The items of work in the current project are the same as those originally proposed. The longer work is delayed, its condition continues to deteriorate, therefore, its cost will increase beyond normal inflation rates.

QUESTION 2:

The prospectus for the Archives Building submitted March 14, 1984, contains a significantly different list of work items than the one submitted February 2, 1982. Why?

ANSWER 2:

The previous prospectus identified needs recognized at a specific point in time. Certain smaller, cosmetic items could not be delayed and are being accomplished. The scope now pending is the work jointly identified as required at this time by the National Archives and Records Service and the Public Buildings Service to correct deficiencies in the facility. Generally, as a building ages, the work required increases as systems deteriorate, usage of the facility is altered and special requirements are established such as handicapped accessibility and energy conservation.

QUESTION 3:

GSA received an appropriation for design of the R&A project in the Auditors Building in FY 1983. Of $656,000 appropriated, cumulative obligations through the end of that fiscal year totalled $19,711. The prospectus submitted as part of the FY 85 program is still the original one submitted February 2, 1982, for $9,950,000. Why did GSA sit out FY 83 as far as design work concerned? How valid are the prospectus cost estimates?

ANSWER 3:

The cost estimates for the Auditors Building project are valid. The time required to solicit, interview, select and award an Architect-Engineer design contract is approximately 9 months from fund availability. The obligated amount shown in FY 1983 is the funds expended for the selection process. Design is proceeding with award of a construction contract planned for the second quarter of FY 1985.

QUESTION 4:

GSA has requested an additional $1,672,000 in authority to replace the fire alarm system in the Health and Human Services North Building. The claim is made that insufficient authority remains associated with older approved prospectuses to do this work. Nevertheless, there is an unobligated appropriations balance of $2,376,793 shown for this building at the end of FY 1984, and only half of this amount is planned for obligation in FY 1985. The last prospectus for this building was approved in April 1978. Why has it taken so long to do the work and what items are the remaining funds for? How necessary is the additional authority requested for FY 1985?

ANSWER 4:

The previous prospectus for the Health and Human Services Building included heating, ventilating and air-conditioning improvements, electrical system upgrading, and space improvements. All of the work is under contract except for the one project which is scheduled for award in FY 1984. The remaining funds are for change orders, claims, and inspection fees. We routinely budget approximately 12 percent of the project cost for these requirements (7 percent for change orders and 5 percent for inspection). Depending on the complexity of the work and the time necessary for project completion these amounts might be increased.

The contract scheduled for award this year included repairs to the condensate system, new controls to improve energy conservation, and replacing the chiller. The project was phased and funded over a series of years because the building is fully occupied, and we could not vacate the space. We have had to schedule the work to provide the least disruption to the tenants as possible.

The new authority is required to provide for the safety of the 3,800 Federal employees and the public visitors to the facility.

QUESTION 5:

The R&A project proposed for the Interior Building in the prospectus submitted March 14, 1984, differs significantly from the one proposed in the prospectus dated February 2, 1982. Significant items missing from the most recent prospectus include low voltage switchgear replacement, chiller replacement, sewer ejection system replacement, fire sprinkler installation, correction of subsurface water damage, and repair of storage and loading dock area flooring. Why were these items deleted?

ANSWER 5:

The current prospectus for the Interior Building addresses the most immediate needs identified; elevators and the fire alarm system. We have prioritized our projects to take care of the most pressing needs, known on a nationwide basis. The items in the earlier version of the prospectus do not rank on the national priorities for this year's budget.

The appropriation of $602,000 in FY 1983 is for design of the elevator replacement. Elevator projects in the National Capital Region are accomplished by in-house designers, therefore, the nine-month selection process is eliminated. Since the actual design time for in-house or Architect-Engineer staff would be the same, design was not started in FY 1983 because construction funding would not be available until FY 1985. It will now be spent for design of both the elevator replacement and the new fire alarm system which was added to the project. The obligational plan in FY 1984 was based on design of the elevators. The amount appropriated in FY 1983 contemplated the scope in the 1982 version of the prospectus.

QUESTION 6:

What is the total of funds obligated for the R&A project at the Federal Building, 1500 E. Bannister Road, Kansas City, Missouri, under the $4,976,300 prospectus originally submitted February 24, 1977? What work items remain for which the $907,000 requested for FY 1985 will be obligated?

ANSWER 6:

The total appropriation request in FY 1985 for the Federal Building at 1500 E. Bannister Road in Kansas City is $979,000 for construction and inspection services. The work proposed is for repairs to the ventilation system including insulation on the ductwork and replacement of damper motors. Obligations through the end of FY 1983 are $3,198,896. Added to this amount is our FY 1984 plan of $1,000, the FY 1985 plan of $979,000 and the remaining portion of the FY 1980 line item in the amount of $674,496. Therefore, our total plan for obligation is $4,853,392 against a total authority of $4,976,300. The difference is required for any contingencies or claims which may arise during the projects.

QUESTION 7:

The prospectus for "initial" space alterations for the Department of Labor in the Varick Building in New York requests $1,734,000 in authority. What additional work is to be performed, when, and what cost? For what previous prospectus level work is $1,394,704 in planned unobligated balances for FY 1984 to be used?

ANSWER 7:

"Initial space alterations" is GSA's terminology for those requirements necessary to house the tenants when first assigned space in a particular location. The 201 Varick Street Building was formerly a warehouse which is being converted into office space. The work required in the space designated for the Labor Department includes 2 computer rooms, 4 hearing rooms, regular office partitions, electrical and telephone outlets, and modifications to the sprinkler, lighting, and air-conditioning systems to meet the new space layouts.

No additional work beyond that specified in the prospectus for the Labor Department move in will be required.

Work is currently underway from the previous prospectus, and the amounts shown against previous years line items will be used for change orders, potential claims, and inspection services. Normally, 7 percent is set aside for change orders on all repair and alteration projects and for inspection services approximately 5 percent of the project cost.

QUESTION 8:

Why is a firesafety and asbestos removal project for the Federal Building at 5000 Wissahickon Avenue in Philadelphia being proposed for inclusion in the FY 1985 program when the building is only a one-story structure? There are seven firesafety and/or asbestos removal projects in high rise Federal office buildings, four of which have already been deferred for several years, for which only design funds are being requested. Why has the installation of sprinklers in a one-story building been accorded priority over similiar work in seven high rise structures?

ANSWER 8:

The Federal Building at 5000 Wissahickon Avenue in Philadelphia is a 3 floor structure. It is a records center and check processing center for the Treasury Department. It has a high fuel load and the existing sprinkler system is not entirely reliable. With the high fuel load and with two levels below grade this is an extremely critical project.

QUESTION 9:

The proposed amendment to the prospectus for the repair and alteration of the U.S. Post Office and Courthouse in Alexandria, Virginia, states that : "Because of the time lag from the date of Congressional approval of the project to the appropriation of funds, the total project cost has escalated beyond the limitations of the prospectus." The original prospectus was submitted to the Congress on February 3, 1978, and approved by the Senate on September 13, 1979 and the House of Reprsentatives on December 9, 1980. GSA did not request funding for this project for the FY 1983 program, but by the end of that year only $9,299 has been obligated. The amendment to the original prospectus requests a new total of $3,000,000 in authority, representing a 94 percent increase over the original $1,550,000 limitation. Why did GSA defer requesting appropriations for this project until FY 1983, and what now justifies a 94 percent increase in prospectus authority?

ANSWER 9:

The prospectus for the Alexandria Post Office and Courthouse was submitted in 1978 but was not fully authorized until FY 1981. The FY 1982 budget had been finalized before the final approval in December 1980. The earliest budget was therefore FY 1983.

The amount obligated in FY 1983 was those funds expended in soliciting, interviewing and selecting the Architect-Engineer firm for design of the work.

Refinement of the Courts requirements in addition to inflationary impacts since 1978, approximately 7 years, have increased the cost of this project by 94 percent. The original plan was for the Postal Service to retain some space on the first floor and basement. The present plan is to move them out completely and provide more space for the Courts on the first floor and additional space for Marshalls in the basement.

QUESTION 10:

GSA has requested $5,117,000 in new authority for repair and alteration of the Pentagon Building and claims in the prospectus that the authority associated with previously approved prospectuses is insufficient to accomplish the proposed work -- installation of a fire alarm system. However, GSA shows for the Pentagon an unobligated balance of $3,560,390 for the years succeeding the end of FY 1985. These funds were appropriated in 1980, 1981, and 1982 for work contained in a prospectus approved in 1978. Why have these funds not been obligated? What work remains on the previous prospectus which is dated June 1976? Why should new authority be approved when work on the previous prospectus will apparently not be completed one decade after its initial submission?

ANSWER 10:

The fire alarm in the Pentagon is unrealiable, antiquadated and not in conformance with current criteria. Since this building houses approximately 26,000 people it is extremely important that a new, reliable system be installed.

The funds unobligated from previous line items are the result of very favorable bids received during the recent economic slow down. None of the work from the previous prospectus remains. The work is all under contract and more than 75 percent complete. Remaining funds will be retained for any change orders, claims and inspection services required. The new work is required to protect the lives of Federal employees and visitors to the building.

Routine time frames for prospectus projects after authorization and appropriation of funds are as follows: 9 months for design contract award, 12 months for design, 4 months for bid and award, and 24 or more months for construction. The last project was appropriated in FY 1982 and therefore is expected to continue into FY 1985.

QUESTION 11:

Why should GSA be given authority to design repair and alteration projects in advance of the year for which construction funding will be requested? In the case of those projects for which design money was provided in advance, GSA has shown little if any capacity to obligate funds in the year for which the appropriation was made. It is also less than apparent that the projects chosen for design funding for FY 1985 are necessarily of lower priority than those projects selected for construction funding. Provide a cogent justification for the design authority being requested and explain the time lag in obligating those funds which have already been provided for this purpose.

ANSWER 11:

Design funding appropriated at least one year in advance of the construction funding proivdes for the initiation of the process to accomplish the project. If funds were actually available at the start of the fiscal year, we would have 12 months time in which to contract for Architect-Engineer services. In practice funds have not been available until very late in the first quarter of the last few fiscal years. Typically, only in-house services costs have been obligated in the year of appropriation because of the delay in receiving the appropriation.

The projects chosen for design or full funding in FY 1985 have been based on regional plans for project accomplishment. Funds are being requested based on regional plans for obligation. We only seek full funding when the region demonstrates that it can accomplish its plan. A project in the design funding list is not necessarily of a lower priority than those in the full funding category. A project's inclusion in either category is based on the regional plan for accomplishment.

QUESTION 12:

The prospectus for the repair and alteration of the Hawthorne Federal Building calls for the replacement of the HVAC ductwork in the building which is made of fiberglass and is described as deteriorating. Why was fiberglass used in place of metal for the ductwork when the building was constructed? The estimated cost of its replacement is $2,732,000. The expense would not have to be incurred if metal ductwork had been installed in 1973 when the building was constructed. Are there any warranties still in effect which would cover some if not all of the replacment costs? Are there grounds for legal action against the manufacturer of the original ductwork?

ANSWER 12:

The fiberglass ductwork in the Hawthorne Federal Building was an available material at the time of design of the building. The Architect-Engineer proposed the installation, and it was presumed to be an acceptable installation. It eliminated the need for metal ducts and separate insulation materials.

We routinely have a one year warranty on labor and materials from acceptance of the project. We have thoroughly researched possible legal action, however, the problems with the ductwork cannot be pin pointed to defective materials, improper installation or operational malfunctions.

QUESTION 13:

The prospectus for the construction of two new courtrooms in the U.S. Courthouse, 312 N. Spring St., Los Angeles, California, at a maximum estimated cost of $2,683,000 was originally submitted May 19, 1983. A revised prospectus for this project was submitteed March 14, 1984, in which the requested limitation was raised to $2,924,000. Both the original and the subsequent submission assumed the commencement of work in FY 1985. What justifies the escalation of 9 percent in the estimated maximum cost of the project?

ANSWER 13:

At the time the original prospectus for the Courthouse in Los Angeles was submitted, we had been requesting full project funding for all projects. With the FY 1985 appropriation request our method of seeking funds was changed to only request funds for the project phase planned to start in the year. By limiting our appropriation request to the amount planned for obligation, it will reduce the carryover amounts and, therefore, not tie up funds until they are actually needed.

The construction phase of the Courthouse project will be funded in FY 1986 instead of FY 1985 as was our previous plan. The one-year delay has increased the cost by 9 percent.

QUESTION 14:

The GSA budget justification includes a request for $665,000 for design and construction services for the West Heating Plant in Washington, D.C. Prospectuses for design for FY 1985 include the District Heating System prospectus originally submitted on February 13, 1981, for an estimated maximum cost of $37,825,000. No revised cost estimates for this project have since been submitted.

GSA has already received an appropriation of $2,190,000 in FY 1983 to begin work on the West Heating Plant and will have obligated only 7 percent of the appropriated funds prior to FY 1985, during which most of the remainder, $1,980,000 is planned for obligation. What work items are to be covered by the $2,190,000 appropriation? What additional work is to be accomplished with the $656,000 requested for D&C services in FY 1985? How can this request be justified given the existence of the prior appropriation?

ANSWER 14:

The FY 1983 appropriation of $2,190,000 for the West Heating Plant is for both design and construction of the pollution control improvements to the boilers. The award of the construction contract for the alterations is scheduled for award in December 1984. The FY 1985 appropriation request is for design of the planned boiler conversion, replacement of the ash handling system, and upgrading of the coal handling system. This new request continues our planned renovations to provide efficient heating while meeting the pollution abatement requirements mandated.

QUESTION 15:

Three prospectuses for the installation of a sprinkler system in the J.C. Klucyznski Federal Building in Chicago, Illinois, have been submitted within approximately the past two years. The estimated maximum cost of the project has continued to increase from $3,319,000 in the prospectus submitted May 19, 1983, to $4,500,000 in the prospectus submitted March 14, 1984. What justifies a 38.6 percent cost increase in such a short period of time?

ANSWER 15:

The sprinkler system cost for the Kluczynski Federal Building in Chicago has increased due to inflation from FY 1983 (initial plan year) to FY 1986 (construction plan year). It is the professional judgement of our regional engineering staff that this cost increase is expected based on inflation in construction costs in the Chicago area.

QUESTION 16:

The proposed project to convert vacant Postal Service space to office space in the Federal Building and Courthouse in Peoria, Illinois, presents a proposed housing plan for the building which falls far short of 135 square feet of space per employee. Even if Court space, vending room, and storage space are not taken into account, proposed space utilization is an inefficient 211 square feet per employee. What accounts for this relatively poor utilization rate after a space modification project has been completed?

ANSWER 16:

Since the nationwide space reduction program has not been finalized with all agencies and in all locatins, the housing plan for the Peoria Federal Building and Courthouse does not reflect the 135 square feet per employee goal. The project will relocate all Federal employees from leased locations into the bulding. There are no other potential tenants for the building therefore, outleasing space to the private sector will be reviewed.

QUESTION 17:

The prospectus to convert vacant Postal Service space to courtroom and office space in the U.S. Post Office and Courthouse, Fort Wayne, Indiana, gives no indication of the amount of space to be made available by this proposed alteration. Exhibit B, the Comprehensive Housing Plan, shows 36 U.S. Court personnel occupying 14,400 sq. ft. under both the present and proposed arrangement.

What is the actual impact of these work items which constitute approximately 60 percent of the $5,885,000 in estimated costs for this project?

ANSWER 17:

The project for the Post Office and Couthouse in Fort Wayne provides for additional courts facilities which has been confirmed with the Administrative Office of the United States Courts. A revised housing plan is attached. Approximately, 6,000 square feet of new space will be provided for the courts. Overall around 30,000 square feet of vacant space will be reclaimed for use by Federal employees.

EXHIBIT B
Comprehensive Housing Plan

BUILDING NAME	ADDRESS	BUILDING NUMBER
U.S. Post Office and Courthouse	1300 S. Harrison Street Fort Wayne, IN	IN0031ZZ

Department or Agency	Present Housing		Proposed Housing	
	Personnel	Occupiable Square Feet	Personnel	Occupiable Square Ft
Congressman Quayle	8	1,582	8	1,582
J.D. U.S. Marshal	2	945	2	945
J.D. U.S. Attorney	7	1,933	7	1,933
J.D. FBI	4	994	4	994
U.S. Courts	16	11,892	24	17,792
GSA - ADTS	0	630	0	630
Civil Service Commission	3	1,384	3	1,384
L.D. Bureau of Apprentice Training	-	-	2	533
L.D. Employment Standards Admin.	-	-	2	336
Railroad Retirement Board	-	-	2	409
HEW - Food and Drug Administration	-	-	2	375
HEW - SSA - BHA	-	-	8	3,109
T.D. Internal Revenue Service	-	-	48	7,836
T.D. Savings Bonds	-	-	1	285
T.D. Alcohol, Tobacco and Firearms	-	-	4	655
DOD - DSA - DCAS	-	-	57	8,900
Interstate Commerce Commission	-	-	2	577
USA - AFR Area Office	-	-	4	525
Joint Use Vending Area	-	-	N/A	1,200
Vacant Unassigned	-	52,640	-	22,000
TOTAL	40	72,000	180	72,000

QUESTION 18:

After renovations the U.S. Post Office-Courthouse-Customhouse in Louisville, Kentucky, is shown in Exhibit B of the prospectus to have 45 fewer Federal employees and to contain 49,936 sq. ft. of vacant space, an increse of 14,983 sq. ft. over present levels. Please explain the sizeable amount of vacant space in this building and the decrease in number of building occupants.

ANSWER 18:

The increase in vacant space in the housing plan for the Post Office and Courthouse in Louisville was a result of the Postal Service moving out. The vacant space is in the basement which is not suitable for office operations. There will be an increase in the number of occupants as shown by the attached housing plan.

PROSPECTUS NUMBER: PKY00452
BUILDING NUMBER = KY0045ZZ

EXHIBIT B
COMPREHENSIVE HOUSING PLAN

U.S. POST OFFICE-COURTHOUSE-CUSTOMHOUSE — LOUISVILLE, KENTUCKY

Department or Agency	Present		Proposed	
	Personnel	Occup. Sq. Ft.	Personnel	Occup. Sq. Ft.
U. S. Courts	112	53,025	142	69,410
Department of the Treasury	503	89,006	485	86,002
Department of Defense	46	12,306	46	15,190
Drug Enforcement Agency	9	2,200	9	2,000
Department of Justice	42	2,786	43	2,826
Office of Personnel Mngt.	1	253	2	253
Interstate Commerce Comm.	3	917	3	917
U.S. Postal Service	16	15,334	-	-
Department of the Interior	8	4,864	10	4,864
Department of Labor	-	210	10	2,010
Equal Employment Commission	15	2,499	10	2,700
General Services Admin.	23	4,410	26	4,410
U.S. Tax Court	2	1,696	-	1,696
Department of Commerce	5	1,304	5	1,304
Veterans Administration	-	1,469	-	1,469
Health & Human Services	67	15,955	128	20,200
Dept. of Housing & Urban Development	191	29,000	191	23,000
Department of Agriculture	25	6,150	39	7,682
Federal Mediation & Conciliation	-	-	2	400
Geological Survey	-	-	44	7,800
Vacant	-	29,459	-	18,710
TOTAL	1,068	272,843	11,121	272,843

QUESTION 19:

Three prospectuses have been submitted to install a sprinkler system in the John F. Kennedy Federal Building in Boston, Massachusetts. These are dated and show maximum estimated costs as follows: February 2, 1984 - $2,499,000; May 19, 1983 - $2,992,000; March 14, 1984 - $3,262,000. What accounts for a projected 30.5 percent increase in costs over this relatively short period of time?

ANSWER 19:

The sprinkler system cost for the Kennedy Federal Building in Boston has increased due to inflation from FY 1983 (initial plan year) to FY 1986 (construction plan year). It is the professional judgement of our regional engineerng staff that this cost increase is expected based on inflation in constructin costs in the Boston area.

QUESTION 20:

Repair and alteration of the Patrick V. McNamara Federal Building in Detroit, Michigan, has been proposed in three prospectuses. These are dated and show maximum estimated costs as follows: February 2, 1982 - $5,474,000; May 19, 1983 - $6,808,000; and March 14, 1984 - $8,421,000. A cost escalation of 53.8 percent over this short period seems largely attributable to one work item, repair of the building plaza. The cost of the single item has increased from $804,000 in the May 1983 prospectus to $2,260,000 in the current submission. Please explain this 181 percent growth in plaza repair costs.

ANSWER 20:

The plaza at the McNamara Federal Building in Detroit has continued to deteriorate. The original prospectus proposed certain alterations for the plaza. As the project has been delayed the extent of defects has expanded. More of the granite and concrete pavers are failing as each winter season takes it toll through freeze/thaw cycles. Inflationary increases have added to the cost but the main reason for the substantial increase has been continued deterioration of more of the plaza each year.

QUESTION 21:

The prospectus proposing conversion of office to provide an additional courtroom ancillary facilities in the Federal Building and U.S. Courthouse in Las Vegas does not clearly indicate the number of judges in the building and the number of courtrooms they occupy at current or proposed levels. Also, the original prospectus dated February 2, 1982, estimates maximum project costs to be $876,000 which the current prospectus dated March 14, 1984, show these costs to have increased by 38% to $1,210,000. Please explain both the housing arrangement for the judiciary and the cost escalation?

Another missing piece of information is the cost of leasing space for the agency whose space is to be converted for the Courts. Please supply this information?

ANSWER 21:

The Federal Building and Courthouse in Las Vegas houses one Bankruptcy Judge and two District Judges. Presently there are two district courtrooms and one bankruptcy courtoom in the building. When a judge assumes active senior status, he retains his facilities and his replacement is entitled to a courtroom, chambers and ancillary spaces. In order to properly serve the needs of the Courts, one additional district courtroom and adjunct facilities will be constructed.

The original prospectus amount has been escalated based upon the review of our regional engineering staff. The work will not be under contract until fY 1986, and it is their professional judgement that the escalation of the magnitude noted will occur in the Las Vegas area.

We do not plan to relocate any agency outside the building. A district court facility (courtroom, chambers, and ancillary facilities) takes up approximately 5,000 square feet of space. Through the space reduction program, we will be able to absorb the court needs within the building.

QUESTION 22:

The prospectus for the renovation of Federal Building and Courthouse in Utica, New York, indicates that there are 122 Federal employees in Utica, 21 in Government-owned and 101 in leased space. However, the comprehensive housing plan lists 122 employees as current occupants of the Federal Building and Courthouse and projects that their number will increase to 146 with the completion of the proposed project. Six nameless agencies are to provide lease savings of $91,505 annually by moving to the Federal Building.

ANSWER 22:

The housing plan for the Utica Federal Building and Courthouse has been revised and is attached. The original housing plan indicated the total Federal employment in Utica as curreatly structured. A footnote had been inadvertently left off that would have indicated which agencies are currently housed in lease space. These agencies are Defense, Labor, FBI, IRS and GSA for a total of 101 employees. All employees located in Utica will be housed in this building upon project completion.

In achieving the goal of the space reduction program of 135 square feet per person in office, will end up with vacant space which will be reviewed for potential outleasing.

The configuration of many older buildings in smaller communities restricts the achievement of the goal. Agency components are small. Their needs for security (i.e., U.S. Attorney) and other operational requirements along with the building layout make it extremely difficult to meet the goal without additional costs. Many agencies cannot share space. Therefore, any one particular location may not meet the goal but each agency on a nationwide basis must meet the 135 square foot standard.

PROSPECTUS NUMBER: PNY02181
BUILDING NUMBER : NY0218ZZ

EXHIBIT B
COMPREHENSIVE HOUSING PLAN

FEDERAL BUILDING AND COURTHOUSE — UTICA, NEW YORK

Department or Agency	Personnel	Occ. Sq. Ft.	Personnel	Occ. Sq. Ft.
Circuit Court	-	-	-	2,000
District Court	5	8,952	5	11,019
Bankruptcy Court	7	2,656	7	8,809
U.S. Marshal	6	1,722	6	2,780
U.S. Attorney	1	484	1	598
Customs Service	2	360	2	380
Department of Defense	0*	0	6	690
General Services Admin.	0*	0	11	4,864
Social Security Admin.	0*	0	69	10,035
Department of Labor	0*	0	3	530
Federal Bureau of Investigation	0*	0	8	1,240
Internal Revenue Service	0*	0	28	4,633
Vacant	-	-	-	5,118
TOTALS	21	14,174	146	52,696

The estimated lease savings from six agencies moving from 20,570 sq. ft. of leased space to this Government-owned building is $91,505 annually.

This housing plan does not reflect the final results of the Space Reduction Program. The goal of 135 per person in office space will be achieved once all the plans are implemented.

* Agencies currently housed in leased space to be relocated to this building.

Q. What is the status of the Custom House at Bowling Green in lower Manhattan?

A. GSA is proceeding with this project. Redesign has been completed to solicit bids for exterior repairs, major systems and equipment, and Bankruptcy Courts' facilities.

Invitations for bids were issued on March 21, 1984, and a pre-bid conference with potential offerors was conducted on April 25, 1984. Bids will be opened on May 23, 1984, reviewed and evaluated, with a contract award scheduled for July 14, 1984.

A request for proposals to lease basement, first and second floor space was issued to interested private sector organizations on February 11, 1984. The proposals are due by May 9, 1984. Award of the outlease is planned for August 14, 1984.

Q. A year ago we were led to believe that the situation in the real estate market was favorable for the Federal Government to purchase buildings at reasonable cost. This "opportunity" purchase program was provided with funds to work toward our goal of greater ownership and reduced leasing. Yet, one year later the only purchase that has been made is of one relatively small building in Texas.

Please explain for us the opportunity purchase program of the past year and why it apparently has failed? Under these circumstances, what is the justification for asking the Congress to authorize another $70 million for opportunity purchases when GSA already has a substantial amount remaining from the previous authorizations?

A. In the past year GSA has been actively pursuing the purchase of privately owned buildings in order to increase the amount of Government-owned space in our inventory and, thereby, reduce our dependency on leased space. One of the principal factors has been prohibiting us from purchasing additional buildings has been the uncertainty and shortage of funds. In FY 83 we received $14 million dollars for purchase and immediately expended $7.2 million. This left $6.9 million which has been set aside for the possible purchase of a building in Wilkes-Barre, Pennsylvania. For FY 84 only $20 million was appropriated. However, there was great uncertainty as to how much would actually be appropriated for FY 84. This was only resolved with the FY 84 Continuing Resolution signed on November 14, 1983. That $20 million was insufficient for GSA to purchase any of the buildings that were under active consideration at that time. As a result we requested and received reprogramming authority for $40 million for the opportunity purchase program. The reprogramming authority was granted on January 24, 1984. At this time we are actively pursuing several acquisitions, two of which are in the internal clearance process or final negotiations in our National Capital Region. We expect to have all of the $66.9 million currently available obligated by the end of this fiscal year.

With respect to the future, we believe that opportunities will always arise for which the Government should have the funds available to purchase, particularly considering the number of buildings we occupy under lease. Accordingly, we believe the $70 million requested for FY 85 is essential in meeting our goals to reduce the amount and cost of our leased rspace inventory.

Q. You have heard the witnesses from the National Buildings Museum, and I understand the agency supports S. 2605.

Can you identify for this Committee, hopefully in the next day or two, what items of work to be done in the next year would contribute to the safety and utility of the building? That is, things that need to be done in any event whether the building is kept or transferred to the museum which would make the building more attractive and useful, and which would not have to be changed if the Building Museum becomes an active and functioning addition to Washington tourist and cultural attractions?

The complete project is estimated to cost $30,000,000. Is there a breakdown of the amounts of work that would be required for the building regardless of its use and that which is directly related to museum purposes?

A. The total planned cost of the restoration, renovation, and conversion of the Pension Building into a museum is $37,250,000. To date, three appropriations have been received to initiate the project; (1) FY 81, $2,900,000 for the roof repairs; (2) FY 83, $1,750,000 for design of the entire project; and (3) FY 84, $2,650,000 for selected space improvements and alterations. All of these efforts have resulted in improving the utility and safety of the Pension Building.

Of the total project cost of $37,250,000, it is estimated that $12,848,000 is necessary for the special alterations and facilities required to convert the building into the National Building Museum.

The remaining $17,000,000 is for general renovation of the building which will suit any tenants and their needs.

Q. We understand the Museum is now virtually the only tenant of the Pension Building, that the Museum receives any income from renting the Atrium, but that the Museum pays no SLUC. That is, you have no income from the building to offset expenses of heating, lighting, guards, maintenance and repair.

Can you not locate some Federal tenants there --agencies who would be sympathetic and appreciative of the building, not unlike the Endowments at the Old Post Office, so you could justify retaining the Pension Building in your Federal inventory--while the Museum gets organized and develops its financial capacity to pursue and expand the Museum functions?

A. The Memorandum of Agreement dated June 7, 1982, states that the National Building Museum (NBM) is the preferred occupant of the Pension Building. The Agreement states if GSA needs space in the building, we must consult with NBM 6 months in advance, and the proposed tenants must be compatible with NBM and mutually acceptable to GSA and NBM.

The building contains 125,000 square feet. Department of Labor and Interior currently occupy 6,550 square feet. Both agencies are scheduled to move by October 1984.

The 1st floor is totally occupied by the museum, and there is documentation of NBM's requirement for the 2nd floor.

The 3rd floor is currently non-habitable due to roof deficiencies. Repairs are scheduled for completion by December 1984.

National Capital Region is contacting NBM about their requirements for the 3rd floor after roof repairs are completed.

Q. Would it be possible to spread the restoration of the Pension Building over more than one year? If so, what level of authorization would be required for each year, particularly for 1985?

A. The restoration can be spread out over two years?

FY 85 - $6,000,000 (exterior restoration and renovation)

FY 86 - $24,000,000 (building upgrading, museum alterations, etc.)

Q. What measures has GSA taken to identify and remedy the hazards resulting from the presence of asbestos in Federal buildings? Would additional resources facilitate the prompt elimination of health risk to Federal employees and other building occupants?

A. The following actions have been taken to identify and remedy/control asbestos hazards in Federal buildings:

- 1979 established and implemented a formal asbestos control program.
- 1980 issued nationwide polices for protection.
- 1980 requested NIOSH and EPA assistance.
- 1980-82 initiated a nationwide survey of Government-owned facilities for asbestos.
- 1982 completed survey and initiated assessment ranking of all facilities.
- 1980 implemented an abatement and control program.
- Control procedures:

  1. Friable materials not allowed unless sealed or enclosed.
  2. Existing materials to be sealed, enclosed or removed.
  3. Prohibit any new asbestos containing materials.
  4. All work involving asbestos must be performed using GSA, OSHA or EPA guides.
  5. Corrective actions (other than total removal) require an asbestos material management program.
  6. Hazardous material clause is included in all contracts.
  7. Contractors are informed and protective measures are enforced.

Currently, the GSA plan of action is to abate asbestos conditions that require immediate attention. Abatement plans and a plan of action have been developed to reduce potential risk in 45 priority buildings which requires substantial resources and funds. Having adequate, (identified) funds available to meet the GSA scheduled plan of actions is extremely critical if GSA is to successfully complete the established abatement plans as scheduled.

Q. On July 23, 1983, a fire damaged offices leased by GSA for the National Oceanographic and Atmospheric Administration in the Grammax Building in Silver Spring, Maryland. What steps has GSA taken since then to improve the negotiation and administration of fire safety provisions in leases? ...

A. The following actions have been taken since the Grammax fire:

. August 1983	- Commenced development of manual tracking system for firesafety deficiencies.
	- identified outstanding problems by individual building.
	- reinstated requirements in the Solicitation for Offers (SFO) for sprinklers when space is leased on or above the 12th floor and elevator capture systems when space is leased on the 8th floor or above.
. October 1983	- Implemented the manual tracking system.
	- standardized reporting requirements and forms to assure uniformity in tracking deficiencies.
. November 1983	- Conducted seminar with representatives of insurance companies to obtain their advice on GSA fire-safety standards.
. December 1983	- Established regional Fire and Safety Review Boards to recommend actions for resolution of fire-safety problems.
. April 1984	- Revised nationwide solicitation package to reference additional National Fire Protection Association Standards.

A more efficient computerized tracking and control system is presently under development, and is scheduled to be operational in November 1984.

Q. What progress is being made in implementing the firesafety program in Government-owned buildings?

A. GSA has developed standardized abatement plans and tracking systems with timetables for correction of all identified firesafety deficiencies in Government-owned, as well as leased space.

Q. A prospectus for the renovation of space in the Las Vegas, Nevada Federal Building to provide an additional courtroom and ancillary facilities for the U.S. Courts was first submitted to the Committee in February 1982. Why has GSA never before included the project in its budget request? Why are only design funds being requested for FY 85?

A. The project in the Las Vegas Federal Building will provide additional court facilities for a senior district judge. Our appropriation request in 1982 only listed a project when the amount planned for a given year exceeded the $500,000 prospectus limitation. The plan had been to seek design authorization in one year and construction funds the next year. Since the design amount did not exceed $500,000, the project was not listed in our appropriation request as a separate entry. Funds from the amount indicated for projects less than $500,000 would have been utilized for the design if the project was authorized. The project was not fully authorized so the legal opinion was that we could not use the proposed funding source to start the project design. With the reduction of $125,000,000 in our FY 1984 budget request as a result of the Jobs Bill appropriation in FY 1983, the project was one of those deferred to FY 1985. This project is now planned to start in FY 1985 with design funding being proposed in the amount of $113,000. Our method of requesting funds in the FY 1985 budget is to only seek those funds which can be obligated in the year of appropriation. Since the time required to solicit for and contract with an Architect-Engineer firm for design takes approximately 8 months, all that can be obligated in FY 1985 is the $113,000 proposed in the Design and Construction Services activitiy. Construction award is not scheduled until FY 1986.

Q. The Committee devoted a great deal of attention to the urgent space needs of the SSA Data Operations Center in Wilkes-Barre, Pennsylvania. What progress has been made at arriving at the solution to this problem?

A. On January 25, 1984, a five year firm term lease was awarded for 58,400 square feet of space at the Luzerne Building. The space is being altered and occupancy is scheduled for June 1st. This satisfies SSA's most immedate need.

With respect to a long term consolidation, GSA has awarded contracts for an independent appraisal of the Luzerne Building and an engineering study of water, sewer, and related issues. The receipt of these studies is scheduled for July. If those studies indicate that acquisition is in the best interest of the Government we will proceed to negotiate with the owner for the purchase of the building.

Q. GSA is proposing the adoption of a commercially based rent system to replace the much criticized standard level user charges which are levied against the Federal agencies for the space they occupy. What advantages are claimed for the proposed system?

A. Advantages of CBR over SLUC:

- Improved customer agency relations through full disclosure of rate development process and services provided.

- Private sector rate setting practices employed in order to more closely reflect "commercial market" rates.

  Thus, better fullfilling GSA's responsibility (by law) to charge commercially equivalent rates.

- Stabilization of revenues through fixed 5 year base rates with annual cost pass-throughs and an annual index adjustment (25% of CPI). This provides for moderate annual increases with larger increases in the reappraisal year (6th year) if market rates experience rapid growth.

- In turn, this stabilization of revenues (and rates) obviates congressional freezes and reductions.

Q. How will it enable GSA to deal with the vexing problem of freezes and reductions in the amounts appropriated to Federal agencies to pay GSA for assessed value of the space they occupy?

A. As long as GSA continues to approximate commercial market rates while Congress continues to exhibit a reluctance to fund those rates, freezes and reductions will continue.

Conceptually, CBR represents a rational approach to meeting GSA's obligation of charging commercially equivalent rates.

Q. Five years ago this committee authorized the construction of a building as the headquarters of the Nuclear Regulatory Commission in Silver Spring, Maryland. Funds for its construction were never requested and the building is no longer on GSA's program list. Why has this project to build a permanent home for a major Federal agency been dropped?

A. Both the House and the Senate Resolutions required that the Nuclear Regulatory Commission (NRC) consolidation be effected in Silver Spring, Maryland. The NRC would not support the Silver Spring site and therefore we reluctantly dropped the project from our plans. A letter outlining this decision was sent to the Committee on December 1, 1982.

Q. The Nuclear Regulatory Commission (NRC) headquarters staff is now housed in downtown Washington. The rest of its staff--about 90 percent--works in Suburban Maryland. We understand that the lease on the building occupied by the headquarters staff expires later this year and that GSA has told the NRC it will have to move some 200 people from that location.

Do you have any plans and have you consulted with the NRC about where its headquarters operations might be located?

Would this not be an opportune time to plan for the permanent consolidation of the entire NRC? The continuing accumulation of opportunity purchase funds might provide a means to resolve this question once and for all.

A. We are working closely with officials of the Nuclear Regulatory Commission to determine what their future space needs will be for the headquarters functions in the downtown area, as well as their needs and preferences for space to effect a long-term solution to their consolidation requirements.

Currently, we are working with NRC officials in identifying an interim partial consolidation proposal to collocate its downtown activities with portions of its activities housed in Bethesda, Maryland. Both GSA and NRC officials agree that this is the most realistic approach to solving their immediate needs for more consolidated offices. We will continue to work with NRC officials with respect to their long-term total consolidation requirements.

Q. It has been almost two years since the Committee approved the prospectus to renovate the Blair House. Why is GSA requesting authorization for additional funds to carry out this project? How have plans for the renovation changed?

A. The Blair House prospectus previously approved by the Committee requested total authority of $7,020,000, to renovate this four building facility. $2,000,000 was appropriated in FY 83 for further scope and cost development. This phase has been completed and coordinated with the Department of State which operates the facility when official visitors are housed in the Blair House.

The facility remains closed as a visiting residence. We have contracted with an Architect-Engineer firm for design of the restoration and renovation of the facility. The prospectus for $9,000,000 is the estimate for the project as now proposed. It includes all the work previously planned, and in addition a new primary guest wing and underground service area have been incorporated into the project. The primary guest suite is currently located on the front of the building overlooking Pennsylvania Avenue. It is a security risk as presently structured besides imposing severe physical limitations for providing service to the guests, privacy during their visit, and adequate circulation for guests, visitors, and staff.

The new wing and underground service area will greatly reduce security problems and correct circulation and service area deficiencies.

Q. I understand that you are coming out with new criteria concerning the selections of possible buildings to purchase. How does the new criteria for the new Public Buildings Service conform to the Cooperative Use Act?

A. In our criteria for selecting buildings for purchase, we are emphasizing that all buildings, particularly those of historical, architectural, or cultural significance, should be considered as candidate for purchase. Ten percent of the total evaluation criteria includes the building's architectural deign quality and integrity to the extent that, if purchased, it will be a credit to the Federal inventory in terms of character and permanence.

Obviously, buildings of historical, cultural, or architectural significance will score highly in this criterion. With respect to multi-use, we will retain existing commercial activities on the ground floor levels to ensure the continued commercial viability of the areas in which the Government is housed.

Q. The Cooperative Use Act requires that priority for lease and purchase be given to older buildings. Would you please tell us what steps you are taking to ensure that the act is being adhered to?

A. As part of our responsibilities to continually survey the needs of Federal agencies and to develop long-term housing recommendations, it is required that buildings of historical significance be fully considered for acquisition.

In identifying and evaluating such properties, we fully coordinate our survey efforts with local state historic preservation officers. In the day to day acquisition of lease space, properties on or eligible for the National Register of Historic Properties are given a 10 percent price preference in the acquisition. These procedures ensure that historic properties are fully considered in our various programs for housing Federal agencies.

In the development of new construction proposals and in many of our major renovation projects such as the Old Post Office in Washington, DC, we incorporate multi-use space to ensure the continued and increased viability of the neighborhoods in which the Government is located.

Q. What progress is being made with regard to the general maintenance of the present ITC building?

A. Daily maintenance is being accomplished as scheduled, and recurring repairs are initiated as the need is recognized. In addition, the following major projects have been awarded or are planned to provide for the continued operation of the facility:

1. On September 30, 1983, a contract to repair the roof, modify the skylights, and repair damaged plaster in the library was awarded in the amount of $224,212.

2. Replace the freight/passenger elevator in FY 84.

3. Upgrade the automatic passenger elevator in FY 85.

4. Renovate rest rooms in FY 86.

UNITED STATES GENERAL ACCOUNTING OFFICE
WASHINGTON, D.C. 20548

GENERAL GOVERNMENT
DIVISION

B-214590

APRIL 20, 1984

The Honorable Robert T. Stafford
Chairman, Committee on Environment
and Public Works
United States Senate

Dear Mr. Chairman:

Subject: Investigation of the Gramax Building Lease Firesafety Provisions (GAO/GGD-84-60)

During an August 11, 1983, meeting, your office discussed with us the July 27, 1983, fire that occurred at the Gramax Building, a federally leased building located in Silver Spring, Maryland, that houses employees of the National Oceanic and Atmospheric Administration (NOAA). Your office expressed concern about how well the General Services Administration (GSA) negotiated and administered firesafety provisions contained in the lease.

As agreed with your office, we reviewed the Gramax Building lease to determine whether it complied with GSA firesafety requirements and whether GSA administered the firesafety provisions as contained in the lease.

We conducted our review during the period August 1983 through March 1984. We interviewed responsible officials in the GSA Central Office and National Capital Region and officials in NOAA. We also interviewed local fire department officials. We reviewed GSA handbooks, memorandums, lease files, and firesafety survey reports and toured the Gramax Building. Our work was done in accordance with generally accepted government auditing standards.

As we advised your office during meetings held on September 22, 1983, and February 22, 1984, GSA negotiated a lease renewal that required the lessor to correct several firesafety deficiencies. The lessor did not correct the deficiencies within the time period allowed by the lease terms, and GSA did not take timely action to correct the deficiencies itself. Some deficiencies still existed when the fire occurred. GSA officials have not cited the uncorrected deficiencies as the cause

of the fire. Instead, they concluded that a short circuit in an extension cord used by NOAA employees ignited the fire. GSA's Accident and Fire Prevention officials concluded that a heavy fuel load, primarily paper comprised of open files and charts, contributed to the spread and intensity of the fire. The GSA fire officials also concluded that the combustible ceiling tiles contributed to the rapid spread of the fire.

In commenting on a draft of this report in March 1984, the lessor suggested that we delete the statements made by GSA officials that the combustible ceiling tiles contributed to the rapid spread of the fire. He stated that these comments neither reflected an official position of local fire authorities nor had the comments been previously mentioned in any official report to his office.

The information regarding GSA's conclusions that the combustible ceiling tiles contributed to the rapid spread of the fire was taken from a report by an ad hoc committee established to investigate the circumstances involved in the fire. Reports prepared by local fire officials, which we reviewed, did not cite the tiles as fueling the fire and increasing flame spread. However, local fire officials have directed the lessor to remove ceiling tiles in a number of areas throughout the building and replace them with non-combustible tiles having the flame spread rating required to comply with local codes. Currently, the lessor is removing tile from throughout the building and is installing tiles with a Class A flame spread rating.

Following the Gramax Building fire, GSA took actions to improve the monitoring and abating of firesafety deficiencies in GSA owned and leased facilities. In December 1983, GSA established a manual system for monitoring the progress of its regions in correcting identified firesafety deficiencies. Currently, GSA is developing a computerized monitoring system which will be used to assure that firesafety deficiencies are corrected within established time frames. This system is scheduled to be operational after programming and testing are completed in April 1984.

We provided a copy of a draft of this report to the lessor, GSA, and NOAA for their review and comment. The lessor suggested a revision to our report as discussed above. GSA stated the information in our draft was essentially factual. As we have also discussed above, GSA suggested we recognize in our report that a manual monitoring system was in operation since

December 1983. NOAA provided more current information on the number of its employees who had to be relocated because of the fire, the cost to NOAA to relocate the employees, the estimated damage cost of equipment and furnishings destroyed in the fire, and the status of the lessor's replacement of ceiling tiles. (See pp. 1 and 2 of enclosure I.) GSA's and the lessor's comments are included in enclosure II. NOAA provided comments orally.

As arranged with your office, we are sending copies of this report to the Director, Office of Management and Budget; the Acting Administrator of General Services; the Administrator, National Oceanic and Atmospheric Administration; and the owner of the Gramax Building. Copies will also be made available to other interested parties upon request.

Sincerely yours,

W.J. Anderson

William J. Anderson
Director

Enclosures - 2

ENCLOSURE I

ENCLOSURE I

SUMMARY OF THE INVESTIGATION OF THE GRAMAX BUILDING LEASE FIRESAFETY PROVISIONS

BACKGROUND

On July 27, 1983, a fire occurred in the Gramax Building in Silver Spring, Maryland. The Gramax Building, leased by GSA, houses employees of the National Oceanic and Atmospheric Administration. A NOAA official estimated fire-related losses at about $670,000, which includes about $448,000 for damage to government equipment and furnishings and about $222,000 for salaries and transportation costs. The fire extensively damaged the 13th floor and two additional floors suffered water and smoke damage. This required NOAA to temporarily relocate about 70 employees to the Federal Center 2 Building located at the Prince Georges Plaza in Maryland. The lessor currently is repairing the fire-damaged areas. NOAA plans to reoccupy the 13th floor in about May 1984.

In August 1983, the Senate Committee on Environment and Public Works asked us to investigate the Gramax Building lease and identify whether

--firesafety provisions in the lease for the Gramax Building complied with GSA standards,

--GSA adequately enforced firesafety provisions in the lease, and

--problems in GSA's firesafety program identified in GAO's May 1981 report[1] related to leased buildings were still present in the Gramax Building lease provisions or lease administration.

GRAMAX BUILDING FIRESAFETY PROBLEMS

GSA and local fire officials investigated the fire-damaged areas of the Gramax Building and reported the cause of the fire as electrical. GSA did not attribute the fire ignition to firesafety deficiencies that the lessor failed to correct. GSA concluded that the fire was caused by a short circuit in an electrical extension cord used by NOAA employees. GSA Accident and Fire Prevention officials also concluded that a heavy fuel load, primarily paper comprised of open files and charts, contributed to the spread and intensity of the fire. Although GSA fire officials have not cited uncorrected firesafety

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[1]GSA Can Do More to Ensure Leased Federal Office Space Meets Its Firesafety Criteria (PLRD-81-8, May 1, 1981).

deficiencies as the cause of the fire, they concluded that combustible ceiling tiles also contributed to the rapid spread of the fire.

In commenting on a draft of this report in March 1984, the lessor suggested that we delete the statements made by GSA officials that the combustible ceiling tiles contributed to the rapid spread of the fire. He stated that these comments neither reflected an official position of local fire authorities nor had the comments been previously mentioned in any official report to his office.

The information regarding GSA's conclusions that the combustible ceiling tiles contributed to the rapid spread of the fire was taken from a report by an ad hoc committee established to investigate the circumstances involved in the fire. Reports prepared by local fire officials, which we reviewed, did not cite the tiles as fueling the fire and increasing flame spread. However, local fire officials have directed the lessor to remove ceiling tiles in a number of areas throughout the building and replace them with non-combustible tiles having the flame spread rating required to comply with local codes. Currently, the lessor is removing tile from throughout the building and is installing tiles with a Class A flame spread rating.

NOAA plans to discuss its ability to recover fire-related losses with its general counsel and GSA representatives. GSA plans to refurbish repairable items and recover its costs by deducting appropriate amounts from rent paid to the lessor.

According to GSA officials, with the exception of replacing combustible ceiling tiles, the lessor has now corrected firesafety deficiencies identified by GSA and required by lease terms. Currently, the lessor is removing tile from throughout the building and is installing tiles with a Class A flame spread rate, as required by the lease. As of early March 1984, the lessor had installed new ceiling systems on 12 of the 14 floors in the Gramax Building.

NEGOTIATION, AWARD, AND ADMINISTRATION OF LEASE

GSA records for the Gramax Building identify a history of poor lessor response to building deficiencies; many specific repair items as well as routine maintenance and repairs had been neglected. However, GSA decided to continue leasing the Gramax Building because a GSA-conducted market survey determined alternative space was not available to accommodate NOAA. Also, NOAA notified GSA that retention of the Gramax Building was essential to its operation.

Before negotiating the current lease, GSA conducted a fire and lifesafety survey that identified five major deficiencies based on GSA's firesafety criteria for leased space. The

regional Accident and Fire Prevention Branch reported to GSA leasing officials that the lessor needed to take the followin actions to correct the deficiencies:

--replace combustible ceiling tiles in major portions of the building with non-combustible tiles.

--install an automatic elevator recall feature and elevator lobby smoke detectors.

--replace all non-fire rated doors on the first floor with fire doors or install an automatic sprinkler system on the entire first floor.

--install emergency lighting in the interior corridor system.

--install an automatic sprinkler system throughout the building.

GSA requires automatic sprinklers in leased buildings when the government occupies space above the 11th floor. GSA fire officials recommended to GSA leasing officials that the government vacate space above the 11th floor in the Gramax Building as an alternative to having the lessor install an automatic sprinkler system. However, NOAA needed the entire building.

GSA established a goal to prepare an enforceable lease that would assure compliance with firesafety considerations as well as standard practices of maintenance and repairs. GSA issued its Solicitation For Offers in August 1981 and conducted negotiations with the Gramax Building lessor through February 1982. During negotiations GSA discussed correction of all firesafety deficiencies, as well as services to be provided and rental costs. In March 1982, GSA and the lessor agreed to a lease having a 5-year term and an option period of 120 days during which the government could convert the lease to a 10-year term. With the exception of installing fire sprinklers throughout the building, the 5-year lease required the lessor to correct all firesafety deficiencies identified by GSA. The lessor would not agree to install fire sprinklers as part of a 5-year lease, but agreed to install fire sprinklers if GSA exercised its option by July 17, 1982, to extend the lease term to 10 years. However, GSA did not extend the lease because the lessor did not properly maintain and repair the building.

GSA executed the current Gramax Building lease in March 1982, about 11 months after the prior lease expired. The term of the lease is from April 11, 1981, to April 10, 1986. A GSA leasing official stated that a decision has not been made as to whether the Gramax Building will continue to be leased after expiration of the current lease.

ENCLOSURE I

As part of the lease agreement, the lessor agreed to correct, within 120 days, all firesafety deficiencies identified in GSA's firesafety survey report, except for sprinklers. Also as part of the agreement, if the lessor failed to make the corrections, GSA could perform the work and deduct its costs from its rental payments. The lessor did not correct any of the firesafety deficiencies by July 1982, as required by the lease.

In commenting on a draft of this report, the lessor stated that many factors have affected his ability to correct building and firesafety deficiencies. He stated he has experienced continuing problems because GSA lacks cohesive policies in the fire and health safety and building management areas.

Although aware that the lessor had not corrected the firesafety deficiencies within the allowed time frame, GSA delayed about 1 year before taking action to correct deficiencies. During June 1983, GSA conducted another firesafety survey and determined the lessor had only initiated action to correct one major deficiency--installing an elevator recall system. However, GSA determined the lessor did not install the elevator recall activation system in accordance with GSA firesafety criteria and cited this as a deficiency. In June 1983, GSA started preparing cost estimates for correcting the deficiencies and planned to deduct its costs from rental payments.

When the fire occurred, GSA had not corrected any firesafety deficiencies because it was still preparing cost estimates before hiring contractors to perform the necessary work. During this time, however, according to GSA officials, the lessor had corrected one major deficiency--the installing of interior corridor emergency lighting.

PRIOR GAO REPORT RECOMMENDATIONS

In our May 1981 report, we discussed the adequacy of GSA's efforts to lease space that met its firesafety criteria. We found buildings with leased space that contained numerous firesafety deficiencies, according to GSA criteria, and some deficiencies had existed for many years. We made a number of recommendations to the Administrator of General Services for improving lease administration to identify, monitor, and correct deficiencies in leased space.

GSA has taken action that addressed all of these recommendations. However, GSA has not completed the actions on our recommendations dealing with having lessors correct deficiencies for which they are responsible, establishing a procedure for monitoring fire survey reports and the actions taken by the various parties involved, and determining the extent of similar problems in government-owned space and taking appropriate actions.

 ENCLOSURE I

RECENT GSA ACTIONS TO REDUCE FIRESAFETY DEFICIENCIES

Since the Gramax Building fire occurred, GSA has taken further action to reduce firesafety and lifesafety deficiencies in government-owned and leased space. GSA regions have been required to develop standardized plans with established time-frames for correcting deficiencies. As of November 1983, all 11 GSA regions have submitted their plans to GSA's firesafety abatement monitoring officials. According to a GSA official, the plans will be used to monitor the regions' progress in correcting deficiencies identified by GSA's Accident and Fire Prevention officials.

In December 1983, GSA implemented a manual monitoring system to assure deficiencies are corrected as scheduled. However, GSA plans to have a computerized system that will track actions taken to correct deficiencies identified in firesafety and lifesafety evaluations. The computerized system was in the early stages of development during our review. According to a GSA official, the new system will be operational after programming and testing are completed in April 1984.

ENCLOSURE II

ENCLOSURE II

General Services Administration Washington, DC 20405

MAR 2 1984

Honorable Charles A. Bowsher
Comptroller General of the United States
U. S. General Accounting Office
Washington, DC 20548

Dear Mr. Bowsher:

Thank you for the opportunity to comment on the draft General Accounting Office audit report entitled, "Summary Of The Investigation Of The Gramax Building Lease Firesafety Provisions" (Code 945625, March 1984).

The information contained in the report is essentially factual. We would like to offer two clarifications concerning the fire-safety monitoring system as follows:

a. Page 2 (2nd par.) of proposed letter to Senator Stafford.

This paragraph should be revised to recognize that the General Services Administration (GSA) has had a manual monitoring system in operation since December 1983. That system is now being automated. The automated system is scheduled to be operational after completion of programming and testing in March 1984.

b. Page 5 (of encl. 1) of draft report.[1]

The first sentence of this paragraph should be revised to state that GSA has developed a manual tracking system to monitor the correction of reported deficiencies. The third sentence of this paragraph should specify that the computerized system was in the early stages of development during the GAO review.

Since our comments were requested on a shorter than usual time period (15 days), we have, as the requesting letter suggested, provided oral comments to Mr. Frank Oberson, Group Director, General Government Division.

Sincerely,

[illegible]
Acting Administrator

[1]GAO Note: Page number changed to correspond with final report.

ENCLOSURE II

ENCLOSURE II

64-35 YELLOWSTONE BOULEVARD

ALGIN MANAGEMENT CO.
P. O. BOX 130 - FOREST HILLS STATION
FOREST HILLS, N.Y. 11375

(212) 896-9600

March 22, 1984

Mr. William J. Anderson
Director of General Government Division
U. S. General Accounting Office
Washington, D.C. 20548

Re: March 8, 1984 Letter - Gramax Building

Dear Mr. Anderson:

I have reviewed your draft report and draft letter to Senator Stafford concerning the "investigation of the Gramax Building lease, Fire Safety Provision". I am pleased to note that you "emphasize that this a draft of a proposed report and is subject to revision".

I respectfully recommend you revise each draft to exclude any extraneous comments relating to the actual cause of the fire, noticeably the fourth sentence on Page 4 of the report which additionally appears on Page 2, Line 5 in the letter to Senator Stafford reading as follows:

> "Although GSA Accident and Fire Prevention Branch officials have not stated uncorrected fire safety deficiencies as the cause of the fire, they have stated that the combustible ceiling tiles fueled the fire, increasing flame spread and damages."

This language does not reflect any official position taken by the Montgomery County fire authorities which thoroughly investigated the cause of the fire, nor has such language been previously mentioned in any official report going to the attention of this office, other than your immediate draft. This statement, which does nothing but bias to an otherwise even-handed report, should be removed in the interest of fact and fairness.

- cont. -

Additionally, there are many reasons - too numerous with which to burden the accident report - that relate to the whys and wherefores of the language of the report as outlined in Page 5 and 6 and the alleged poor Lessor response to correcting deficiencies. Perhaps these could have been made a separate addendum to your report: A paper which would then clearly show the ongoing problem the Lessor has with an agency lacking many cohesive policies, not the least of which is the entire area of the so-called fire and health safety measures (although I must admit the agency is getting better in this regard and improving on past performance). The opening of such a dialogue would further confuse the principal issue - which I believe you have handled overall in a most judicious manner, except to resolve, once again, the extraneous language already stated.

Very truly yours,

PLAZA REALTY INVESTORS

Albert Ginsberg

ALBERT GINSBERG

AG:pf

II

98TH CONGRESS
2D SESSION

S. 2635

To authorize appropriations for the Public Buildings Service of the General Services Administration for fiscal year 1985.

IN THE SENATE OF THE UNITED STATES

MAY 3 (legislative day, APRIL 30), 1984

Mr. STAFFORD introduced the following bill; which was read twice and referred to the Committee on Environment and Public Works

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A BILL

To authorize appropriations for the Public Buildings Service of the General Services Administration for fiscal year 1985.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Public Buildings Authorization Act of 1984".

SEC. 2. No appropriation, including any appropriation from the fund established pursuant to section 210(f) of the

Federal Property and Administrative Services Act of 1949, shall be made by Congress or obligated by the Administrator unless it has been authorized by Congress in accordance with this Act.

SEC. 3. (a) No public building construction, renovation, repair, or alteration shall be commenced unless an appropriation has first been made in the same fiscal year for which such appropriation is authorized and for the estimated cost of completion of such construction, renovation, repair, or alteration.

(b) Beginning in fiscal year 1986, no lease shall be entered into unless the authority to enter into contracts has first been made for the maximum cost of such lease over the entire term in such amounts as are specified in annual appropriations Acts and in the fiscal year for which such lease is authorized.

SEC. 4. There is hereby authorized to be appropriated for fiscal year 1985 not to exceed in the aggregate the amount of $2,227,802,000 from revenues and collections deposited into the fund pursuant to section 210(f) of the Federal Property and Administrative Services Act of 1949, as amended (40 U.S.C. 490(f)), for the real property management and related activities of the Public Buildings Service of which:

(a) Not to exceed $91,877,000 shall be available for fiscal year 1985 as follows:

(1) For construction of public buildings (including funds for sites and expenses) at the following locations and maximum construction costs:

District of Columbia, Old Post Office (Internal Revenue Service Courtyard)	$2,000,000
Texas, El Paso, Border Station	6,893,000
Washington, Lyden, Border Station	2,386,000
Washington, Sumas, Border Station	4,618,000

(2) $1,000,000 for construction of public buildings of less than ten thousand gross square feet of space;

(3) $3,063,000 for deficit balances relating to fiscal year 1982 construction projects;

(4) $71,917,000 for purchase of sites and buildings at the following locations and maximum acquisition costs:

Virginia, Newport News, Post Office-Courthouse	$1,700,000
Other selected purchases including options to purchase	70,217,000

(b) Not to exceed $226,404,000 shall be available for fiscal year 1985 as follows:

(1) For renovations, alterations, and repairs of public buildings at the following locations and at the following maximum project costs of $1,000,000 or more:

California, San Francisco Appraiser Stores	$9,711,000
Colorado, Denver, Federal Center numbered 20	6,210,000
Colorado, Denver, Federal Center numbered 810	8,590,000
District of Columbia, Archives	4,696,000
District of Columbia, Auditors	8,980,000
District of Columbia, Blair House	6,611,000

District of Columbia, Health and Human Services, North Building	1,504,000
District of Columbia, Interior	4,131,000
Iowa, Des Moines, Federal Building	3,083,000
Maryland, Suitland, Naval Intelligence Command numbered 1	8,809,000
Michigan, Detroit, McNamara Federal Building	1,532,000
Michigan, Detroit, parking garage	1,832,000
Nevada, Las Vegas, Federal Building	1,123,000
New York, New York, 201 Varick Street	1,508,000
Pennsylvania, Pittsburgh, Post Office—Courthouse	8,672,000
Pennsylvania, Philadelphia, 5000 Wissahikon Avenue	2,635,000
Virginia, Alexandria, Post Office, Courthouse	1,370,000
Virginia, Arlington, Pentagon	4,602,000

(2) $140,805,000 for renovations and repairs of public buildings at project costs of less than $1,000,000 including the public buildings at the following locations and maximum project costs:

Iowa, Sioux City, Post Office, Courthouse	$809,000
Missouri, Kansas City, 1500 E. Bannister Road	907,000
Texas, Fort Worth, warehouse numbered 5	710,000

(3) $9,000,000 for alterations of leased buildings, the maximum cost for a single building being less than $250,000.

(c) Notwithstanding the provisions of section 3(a) of this Act, not to exceed $53,572,000 shall be available for design and construction services.

(d) Not to exceed $865,000,000 shall be available for fiscal year 1985 as follows:

(1) $25,700,000 for rental increases due to lease expirations and for expansion space, and

(2) $839,300,000 for payments in fiscal year 1985 to provide for space under lease prior to fiscal year 1985, including increases in operating costs and taxes.

(e) Not to exceed $694,998,000 shall be available for fiscal year 1985 real property operations.

(f) Not to exceed $117,040,000 shall be available for fiscal year 1985 program direction.

(g) Not to exceed $178,911,000 shall be available for fiscal year 1985 for payment of principal, interest, taxes, and any other obligation for public buildings acquired by purchase contract.

SEC. 5. (a) Funds appropriated under section 4 of the Act for construction, renovation, repair, or alteration shall remain available for obligation and expenditure without regard to fiscal year limitations: *Provided*, That construction, renovation, repair, or alteration has commenced in the same fiscal year which funds are made available.

(b) Commencement of design using funds authorized pursuant to section 4(c) of this Act for projects authorized by sections 4(a) and 4(b) shall be regarded as complying with the provisions of subsection (a) of this section.

SEC. 6. Ten per centum of the funds made available pursuant to this Act to the Public Buildings Service for renovation, alteration, and repair of public buildings and for payment of leases on buildings shall be available for repair or alteration projects and leases, respectively, not otherwise authorized by this Act, if the Administrator certifies that the space to be repaired, altered, or leased resulted from emer-

gency building conditions or changing or additional programs of Federal agencies. Funds for such projects may not be obligated until thrity days after the submission by the Administrator of an explanatory statement to the Committee on Environment and Public Works of the Senate and the Committee on Public Works and Transportation of the House of Representatives. The explanatory statement shall, among other things, include a statement of the reasons why such project or lease cannot be deferred for authorization in the next succeeding fiscal year.

○